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## Taiwan Plans to Develop Stronger Weapon Systems

By Jay Mathews  
TAIPEI, Dec. 18 (WP) — Taiwan announced plans today to increase military spending — already about 40 percent of its national budget — and develop an array of weapons, including new long-range missiles, in the wake of the U.S. decision to establish diplomatic relations with the People's Republic of China.

The Taiwan garrison command, the military's internal security agency, also announced intensified efforts against Communist subversion, creating speculation here that the U.S. pullout would lead to a crackdown on dissent. New military limits on civil rights caused by uneasiness over the island's growing diplomatic isolation could add

more tension to vital, if soon-to-be unofficial, relations with the Carter administration.

At an emergency session of the ruling Kuomintang (Nationalist) Party's central committee, Premier Y.S. Sun said, "We will boost our defense budget to... step up procurement of modern weapons and strengthen our capability to make major weapons, develop new types of naval vessels, mines, heavy artillery, and long-range missiles so that we can establish a self-sustaining defense industry."

President Chiang Kuo-fu continued his bitter attacks on the United States. Mr. Chiang said Washington had "ushered a wolf into its living room. This is certainly an unwise, horrible move."

"Shame on the United States!" [The Associated Press reported that President Chiang said today that his nation would never negotiate with mainland China.

[According to the AP, Mr. Chiang labeled as traitors two persons Peking had described as his friends who had appealed through the official Chinese news agency for permission to go to Taiwan for talks on reunification with the mainland.

"Liu Fei and Li Chun-lung are traitors," Mr. Chiang was quoted as saying. "We will never consider contacting these traitors. We will never deal with those people who entertain the illusion of allying with the Chinese Communists to confront the Russians. This nation will be the spiritual fortress of the free world to fight against Communism," he said.

[The Chinese news agency had described the two men as a delegate and an adviser to the Taiwan delegation that attempted in 1969 to reach agreement with the conquering Communists. They failed and defected to Peking, the AP report said.]

### U.S. Arms Available

The Carter administration, in its decision to recognize mainland China and cut official ties with the Republic of China while it still controlled the mainland before the Communist takeover in 1949.

Fearing reports of improvements in Peking's air force, Taiwan is close to completing the deployment of about 200 Northrop F-5E fighters, according to military sources here. The army has built its own surface-to-surface tactical missile, displayed for the first time at a military parade in October.

Peking does not appear to have the equipment or trained manpower for an invasion of the island, but military analysts say that Taiwan



Belgian Premier Paul Vanden Boeynants after Sunday's vote.

## Belgian Leader Says Vote Solved Nothing

BRUSSELS, Dec. 18 — Premier Paul Vanden Boeynants of Belgium handed his government's resignation to King Baudouin today following general elections that he said were superfluous and solved nothing.

The king accepted the resignation, which is customary after Belgian general elections, and asked Mr. Vanden Boeynants to continue serving in a caretaker capacity until

a new cabinet can be formed. The king did not indicate when he would start considering the selection of a premier-designate.

Yesterday's elections resulted in only marginal gains or losses for the parties in the outgoing coalition and increased the likelihood of protracted ethnic and linguistic problems between Flemish and French-speaking Belgians.

"The results show that these elections were superfluous," Mr. Vanden Boeynants said yesterday after the voting by more than 6 million Belgians. "The stability of the electorate is surprising. But nothing has been solved. Things may even prove more difficult now than before."

The elections yesterday were for the country's Chamber of Representatives and Senate and for new councils in the nine provinces. The new parliament will undertake to modify the constitution to implement federalization along linguistic lines. Belgium is divided between Flanders, French-speaking Walloonia and Brussels, which is officially bilingual but heavily French-speaking.

### Coalition Split

Mr. Vanden Boeynants, a member of the Walloon wing of the Social Christian Party, became the caretaker premier Oct. 20 after the resignation of Premier Leo Tindemans, which prompted yesterday's general elections. Mr. Tindemans, a member of the Social Christian Party's Flemish wing, resigned after the federalization issue split the four-party ruling coalition.

The Flemish Social Christians, who were held largely responsible for the breakup of that coalition Oct. 11, failed to achieve the surge they had hoped for in yesterday's elections. They gained only one seat in the 212-member Chamber

## Long-Term Pressure Seen Dollar Drops, Gold Up After OPEC Oil Raise

WASHINGTON, Dec. 18 — The U.S. dollar sold off sharply in the world's foreign exchange markets today as traders judged that the 14.5 percent oil price increase set yesterday by the Organization of Petroleum Exporting Countries would have a serious and adverse effect on the U.S. economy.

Gold prices surged, meanwhile, with bullion fixed at \$129.90 an ounce in the afternoon in London compared with \$205.60 Friday. Gold finished at \$213 an ounce, up from \$206.75.

In New York, Wall Street was hit hard by OPEC's decision. Investors sold heavily in stepped-up trading on the New York Stock Exchange. In afternoon trading, the Dow Jones industrial average fell 17.84 points. Airline stocks were particularly hard hit due to the prospects of an escalation of fuel prices.

Although the Bank of Japan and the Swiss National Bank actively supported the dollar today, reliable sources said that intervention by the European Economic Community central banks was minimal. And it appeared that EEC central banks may have considered it unwise to give massive support to the dollar at what could be unrealistic levels. Dealers pointed out that OPEC's decision to raise oil prices by 14.5 percent over the first nine months of next year will have the greatest adverse effect on the dollar because the United States is the world's biggest oil consumer. Hence, they argued that the dollar could well remain under pressure for some time. Moreover, some dealers contended that U.S. authorities may be reluctant to give the dollar large-scale support since perhaps a third or more of the administration's \$30 billion support facility has already been used.

### Down in W. Germany

"In trading for Deutsche marks, the dollar fell 3.44 pfennigs, or about 1.8 percent to 1.8581 DM, the lowest level since Nov. 1, when the U.S. administration announced its support package for the dollar."

The dollar dropped 2.75 centimes, or 1.6 percent, against the Swiss franc, though the Swiss National Bank was said to have purchased \$125 million. In the week ended last Friday, Switzerland's foreign currency reserves rose by about the equivalent of \$1.54 bil-

lion, mainly as a result of dollar-support purchases by the Swiss central bank. In Tokyo, the dollar fell to 193.33 yen from 195.75 Friday even though the Bank of Japan purchased an estimated \$400 million. Later in Europe, the dollar fell further to finish at 1.9295 yen.

In trading for French francs, the

dollar dropped by 8.62 centimes, or 2 percent to 4.2588 French francs. Sterling rose to \$2.0665 from \$1.9810 Friday but declined against most continental currencies as the result of what one dealer described as "heavy commercial selling." However, the Canadian dollar

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### 'Regrets' Decision

## U.S. Calls On OPEC To Rethink Oil Rise

By B. Drummond Ayres Jr.

WASHINGTON, Dec. 18 (NYT) — The Carter administration has called on the Organization of Petroleum Exporting Countries to "reconsider" its four-stage 14.5-percent increase in crude oil prices, declaring that the hike would endanger world economic recovery and impede efforts to slow inflation.

In a statement issued by the White House yesterday, it said that market conditions did not warrant a price increase of that magnitude. "We regret OPEC's decision and hope that it will be reconsidered before the next steps take effect," the statement said. "This large price hike will impede the programs to maintain world economic recovery and to reduce inflation."

The oil-exporting countries, the statement added, "share the responsibility" for keeping the world's economy on an even keel. The administration seemed resigned to some increase in oil prices. But the size of the increase ordered by the 13-nation cartel caused shock and disappointment.

U.S. officials and members of Congress predicted that even the economies of the oil-exporting countries would be adversely affected in time.

### Straining Relations

There also were warnings that relations with some of the exporting nations might become strained, particularly relations with those countries that depend on the United States for security assistance.

Alfred Kahn, the director of President Carter's anti-inflation effort, said that the OPEC decision had left him "profoundly unhappy



James Schlesinger

and terribly disappointed." He predicted that inflation would increase by "a couple of tenths of a point" as a result of the price hike.

"You don't help yourself by impoverishing your customers," Mr. Kahn said. "This will make the fight against inflation so much

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### Begin, Dayan Chide the United States

## Israel Bars Egypt's Treaty Amendments

By William Claiborne

JERUSALEM, Dec. 18 (WP) — Foreign Minister Moshe Dayan said today that Israel would not resume negotiations with Egypt without a clear understanding that U.S.-supported Egyptian amendments to the draft Middle East peace treaty are unacceptable.

Apparently shutting the door on dialogue on Egypt's attempt to affix "interpretative notes" to the draft treaty, Mr. Dayan said: "I think we should negotiate, but not on that basis."

Prime Minister Menachem Begin today briefed the Foreign Affairs and Defense Committee of the Knesset on the state of the peace process. Committee Chairman Moshe Arens later challenged the value of the U.S. mediation role in the negotiations.

"I don't think it's good for the peace process and I don't think it's good for the interests of the United States," Mr. Arens said, "because obviously... the United States feels itself under considerable obligation to the Arab world, primarily Saudi Arabia."

"This means almost inevitably that when differences of opinion arise, then sooner or later the U.S. administration comes down and comes down hard on the side of the Egyptians. That's not conducive to the peace process."

### Begin Criticizes Vance

[Mr. Begin told the committee that Israel would not agree to disgressions from the Camp David accords, United Press International reported. He expressed surprise at remarks by U.S. Secretary of State Cyrus Vance.

"I don't understand how Vance could tell me two or three weeks ago that it is strictly forbidden to change the contents of the peace treaty," Mr. Begin said, as quoted by Israeli radio. "And now he himself comes and supports the changes in the treaty Egypt asks for."

"If the conditions to resume negotiations are acceptance by Israel of the new ideas, then I think there will be no talks," Mr. Dayan told senior staff at the Foreign Ministry at a meeting today. His remarks were relayed to reporters by an official at the ministry.

"We can resume negotiations if Egypt understands that we do not accept her new demands," Mr. Dayan was quoted as saying. His remarks appeared to be an oblique rejection of a suggestion by Mr. Vance on Sunday that Israel should reconsider the Egyptian amendments.

Mr. Vance had said on the television program "Meet the Press," "I think and hope that there would be a further consideration of the proposals which I took (to Israel) and that the discussions will be able to get started again."

Mr. Dayan said that the "whole negotiating process is in a difficult situation." He accused the U.S. State Department of aggravating the problem by issuing a legal opinion in support of Egypt's attempt to dilute somewhat a treaty clause

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## Some Troops in Iran Said To Refuse to Obey Orders

TEHRAN, Dec. 18 (Reuters) — An Iranian Army unit guarding the route of a demonstration against the shah was recalled to barracks today in the northwestern city of Tabriz after some troops refused to obey orders by their officers, a senior official said.

The incident, the first known case of its kind in months of political turmoil, appeared to be the most serious in a day of mourning called by opponents of Shah Mohammed Reza Pahlavi for about 100 persons killed in disturbances in various towns last week.

Other reports reaching Tehran from the city, capital of Azerbaijan province, said demonstrators had captured some army vehicles, but the details were confused. Shooting flared in Tabriz during a protest by crowds estimated variously at between 20,000 and 200,000.

A resident said he had reports of persons being wounded in the shooting, and said that he thought there had been some deaths, but he could not say how many. Stores and businesses in Tehran were shut in what a senior Western diplomat described as "a very, very total response" to a one-day strike called by religious and political opposition leaders.

### Opposition Version

Describing the Tabriz incident, the senior official, who asked to remain anonymous, said an entire contingent of soldiers guarding the procession route was sent back to their barracks after signs that some were not willing to obey orders. But he denied reports from op-

position sources, including a Tabriz member of parliament, that soldiers had joined the demonstration in large numbers. "There was some disturbance but no one joined the crowd," he said.

He added, however, that when the troops were on their way back to their base in trucks some waved back when the crowd cheered them. The way opposition sources told it, the incident was a case of mass rebellion by troops.

Ahmad Bani Ahmad, member for Tabriz of the lower house of parliament and an outspoken opponent of the regime, said the army tracked after two demonstrators

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## Geneva Drive To Aid Sales Misses Point

GENEVA, Dec. 18 (UPI) — The campaign by shopkeepers here against consumers crossing the border into France to buy goods at cheaper prices backfired today.

The campaign is being conducted with automobile stickers and posters bearing the slogan: "Live in Geneva, Buy in Geneva."

It became known, however, that all the stickers and posters were printed in France.

### Except Security Pact

## U.S. Is Said to Keep Most Taipei Accords

WASHINGTON, Dec. 18 (NYT) — The Carter administration intends to keep in force all agreements with Taiwan except the mutual security treaty after diplomatic relations are severed Jan. 1, a high official said yesterday. The de-

fact is that all existing agreements with Taiwan, commercial, cultural and others, will continue in effect except for termination of the defense treaty," said Robert Hansell, the chief legal adviser of the State Department.

Under the plans being formulated by the administration, President Carter will announce on or about Jan. 1 that, although formal diplomatic ties no longer will exist with Taiwan, the United States will retain the existing accords as in force, officials said.

The administration will submit to Congress when it returns next month legislation to enable various government-to-government accords to remain in effect, but this is not regarded as a major stumbling block.

"Any agreement with Peking will be to be negotiated from scratch, officials said. They will not be automatically transferred from Taiwan — known officially as the Republic of China — to Peking, known as the People's Republic of China."

It is expected, officials said, that formal diplomatic relations cease on Jan. 1, many U.S. Embassy officers

will continue to stay in Taiwan pending designation of a new quasi-official office there. No name for the new office has been agreed upon. Taiwanese will be permitted similar facilities here, they said, if they want.

The United States has a large number of formal agreements with Taiwan, some that were signed with the Republic of China while it still controlled the mainland before the Communist takeover in 1949.

Aside from defense and mutual security agreements, the United States has accords in the following fields:

Agricultural commodities, atom-

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### 'Expects' a Peaceful Resolution

## No Peking Taiwan Pledge, Vance Says

By Bernard Gwertzman

WASHINGTON, Dec. 18 (NYT) — Secretary of State Cyrus Vance said yesterday that the decision to transfer diplomatic relations from Taiwan to Peking was taken with expectations but no commitment that China would refrain from military force to unite Taiwan to the mainland.

There has been some confusion and ambiguity, after President Carter's announcement Friday, as

to whether the Chinese had made any pledge not to try to conquer Taiwan once the U.S. defense treaty ends in a year's time.

Appearing on television, Mr. Vance said that Mr. Carter, in his statement, said, "we expected that the problem of Taiwan would be resolved in a peaceful way."

"This has not been contradicted by the People's Republic of China," Mr. Vance said.

He added that as "a practical

matter," it would not make sense for Peking to use force because China wants better relations with the United States and other nations and "it would be totally inconsistent for them to take action which is contrary to what we have indicated is of essential importance to us."

But when he was pressed as to whether the United States had been able to get Peking "to positively affirm" that Taiwan would be united to the mainland only by peaceful means, Mr. Vance said that the administration had not been able to do so. This was confirmed by other officials.

"The Chinese have made it very clear all along that they will not state that the resolution of the problem is a problem for anybody else to determine other than them," he said. "They say it is an internal problem. We stated very clearly what our expectations were and they have not contradicted that."

The inability of the administration to secure a firm commitment on this question from Peking is likely to be used by political opponents of normalization.

Yesterday, Sen. Richard Stone,

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### Carter Fixed Deadline in October

## Timetable of U.S.-Chinese Diplomacy

By Fox Butterfield

HONG KONG, Dec. 18 (NYT) — President Carter originally set a deadline of Jan. 1 for normalization of relations with China, shortly after his success in the Camp David talks in the Middle East in October. It was disclosed yesterday.

Leonard Woodcock, the head of United States liaison office in Beijing, said that Mr. Carter had set the timetable at a meeting in Washington in early October attended by himself, Secretary of State Cyrus Vance, and Zbigniew Brzezinski, the president's national security adviser.

Mr. Carter said he had decided to finally break his commitments to Taiwan

at a point when for the first time in his administration he may have felt politically strong enough to withstand opposition from the supporters of the Chinese Nationalists in the United States.

Moreover, at that time it was expected a final peace treaty between Israel and Egypt would be signed by Dec. 17. Hence, if the Middle East talks had worked out as originally scheduled, Mr. Carter would

have been able to announce his plan to normalize relations with Peking just after the signing of a treaty between Israel and Egypt, thus defusing much possible criticism.

At a news conference in his residence in Peking, Mr. Woodcock also said that the visit by Mr. Brzezinski to Peking in May had given the "impetus toward normalization a substantial push."

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## Cultists Left \$7 Million to Soviet Party

### To Benefit 'Oppressed Peoples All Over the World'

By Joseph B. Treaster

MATTHEWS RIDGE, Guyana, Dec. 18 (NYT) — Letters bequeathing more than \$7 million to the Communist Party of the Soviet Union were carried out of the Peoples Temple commune at Jonestown in a suitcase full of money on Nov. 18, the day more than 900 cult members were killed or committed suicide, a Guyana police official said yesterday.

In one letter read to a coroner's jury here yesterday by Cecil Roberts, the assistant commissioner of crime, cult members explained that they were turning over "all our assets" to the Soviet Union "because we, as Communists, want our money to be of benefit for help to oppressed peoples all over the world, or in any way that your decision-making body see fit."

That letter and four others, detailing the transfer of money to the Russians and identifying cult accounts in the Banco Union in Caracas and branches of Swiss banks in Panama, were addressed to Fyodor Timofeyev, an official at the Soviet Embassy in Georgetown, the Guyanese capital.

Mr. Timofeyev is said to have met with cult leaders both at Jonestown and at the Soviet Embassy in Georgetown. Soviet officials have refused to comment on the reported contacts.

### Russians Not Apprised

Mr. Roberts said the Soviet Embassy had not been apprised of the letters, and officials at the embassy could not be reached for comment. The commissioner said he could not answer the legal questions of whether the Soviet Union would ever receive the money and of who would be the final recipient of the cash and jewels found in and around the commune.

Mr. Roberts turned over the letters, which police officers found when they arrested three couriers, in the final hours of the coroner's inquest that began five days ago as the first formal inquiry into the deaths at the Jonestown commune, 20 miles from here.

He also turned over a spiral notebook containing what he said appeared to be a final note from Annie Moore, the personal nurse

of James Jones, the cult leader; a .357-caliber Magnum revolver that Mr. Roberts said had killed Miss Moore, and a detailed organizational chart for Jonestown. A verdict on whether crimes were committed in the Jonestown deaths is expected next week.

Earlier yesterday and late Saturday, Michael Carter, 20, his brother Timothy, 30, and Michael Prokes, 28, recounted how, with the commune in a frenzy after the visit of Rep. Len Ryan, D-Calif., they had been called aside by Maria Katsaris, 24, who was in charge of finances in Jonestown, and asked to carry a heavy suitcase "to the embassy."

Mr. Prokes testified that he assumed Miss Katsaris meant the Soviet Embassy because, as he later explained to a reporter, "Jones had talked about going to the Soviet Union."

"She was very frantic and she said, 'There's a lot of money in here and a letter. Give it to the embassy,'" Mr. Prokes recalled. He said Miss Katsaris, who had been one of Mr. Jones' closest aides, then handed him and Michael Carter, 38-caliber revolvers and said, "If you get caught, shoot yourselves."

The three men said they tried quickly as they struggled through the fields bordering Jonestown with the heavy suitcase, which the police have said contained more than \$600,000 in U.S. currency. The three said they hurried some of the cash in a banana grove and left most of the rest in a chicken-feed sack at the commune.

They took \$48,300 with them in two money belts and continued on with the letters to the Soviet Embassy, they said. They were arrested late that evening in Port Kaituma, near the commune, as they approached the cult's 72-foot trolley.

Four of the letters presented at the inquest were dated Nov. 18, the day more than 900 cult members died in the killings and suicides at Jonestown. The letters give instructions on collecting the money.

A fifth letter, dated Nov. 6 and unsigned, directs the Swiss Bank Corp. (Overseas) S.A. in Panama to transfer one sum of \$577,000 and another of \$1,486,000 to a new account, closing an old account in the same bank.



## If West Does Not Help, Kaunda Says

## Zambia Warns of Going East for Arms

By John Damron

LUSAKA, Zambia, Dec. 18 (NYT) — In dire need of bolstering its defenses, Zambia is prepared to turn to the Eastern bloc for arms to fend off further raids from Rhodesia and South Africa, says President Kenneth Kaunda, who was re-elected last week to a fourth five-year term.

"Up to now, the West hasn't really given us anything real," Mr. Kaunda said. "I know that the East, I'm sure, is ready to help us buy from their market."

His comments, made during an interview, were the strongest warning to date that Zambia, one of the most pro-Western black African states, may be forced to seek help from the Soviet Union if events in southern Africa continue to drag it toward war.

The interview, in a sitting room in the old red brick British governor's mansion that is now State House, was conducted last week as the president was rolling up an easy victory in the election that had taken place on Tuesday.

The country has an army of only 7,000 men and an air force of 13 combat aircraft, according to the Institute for Strategic Studies in Britain.

## Waves of Bombers

Mr. Kaunda said that Zambia had narrowly averted raids from Rhodesia and South Africa that had been intended to throw the elections into disarray. "They were going to attack us from the 9th [of December], shortly before the elections," he said. "When we revealed their plans in detail, they realized how much the Zambian government knew about this, so they had to drop it."

The country was hit on Oct. 19 and Nov. 2 by waves of bombers sent from Rhodesia to strike at the guerrilla camps — one of them just 12 miles from the capital — of

the Zimbabwe People's Revolutionary Army, headed by Joshua Nkomo. Some of the attacking aircraft were comparatively slow helicopters, and they moved with impunity.

There have been persistent reports of continuing ground activity by Rhodesian soldiers in southern Zambia. South Africa, which has raided Zambia in the past, threatened in a telegram to Mr. Kaunda two weeks ago to take "serious" steps to contain what it said was a planned incursion from Zambia by guerrillas of the South-West African People's Organization, which is fighting South African control of South-West Africa. Mr. Kaunda denied that SWAPO guerrillas were massing on his side of the border.

Mr. Kaunda, who promised increased defense spending during the election campaign, said that Zambia was "better organized" to thwart an attack than it was two months ago, and that Rhodesian pilots would be less likely to find their control of Zambian airspace unchallenged. He was presumably referring to the installation of \$20 million worth of defense equipment, including Tigercat missiles and anti-aircraft guns, that Britain provided after the attacks.

But he observed that Zambia was "a big country" and that conse-

quently "the enemy can hit us where they choose."

He refused to say how much money would now go for arms, on the ground that this was a "state secret." In the past, he said, the figure was kept secret because it was so low, money going instead for economic and social development. "But now we've been caught up in this trap, and we have to obviously spend more."

Where the arms money would come from, unless it is in the form of a long-term loan, is difficult to guess, since Zambia is virtually bankrupt. During a visit to the United States in May, Mr. Kaunda tried to interest Washington in providing arms. While such military assistance is still under consideration, sources here indicated that it will probably not be forthcoming, given President Carter's stated policy of cutting down on arms sales.

Mr. Kaunda, who once called the Soviet Union and its Cuban allies "a plundering tiger and its marauding cubs," would clearly prefer Western assistance. But he said that Zambia would be "unaligned" in its search for weapons.

"We will buy arms from the West if they will allow us to," he said. "We'll buy them from the East if they allow us to."

## U.S. 'Regrets' Oil Boost, Asks OPEC to Reconsider

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harder. It'll be more difficult to get people to stay within the [wage-price] guidelines."

Secretary of Energy James Schlesinger said that the United States had hoped for a "minimal" price hike by OPEC. "This is hard-core price increase," he added. "It is substantially larger than we had hoped."

Mr. Schlesinger estimated that inflation in the United States probably would increase by about half a percentage point as a result of the increase in the price of crude oil. The price of a gallon of gasoline, he added, might increase by as much as 5 cents.

Asked on ABC-TV's "Issues and Answers" program whether the 14.5-percent increase represented a failure on the part of Treasury Secretary Michael Blumenthal and others to persuade OPEC to hold down the price of crude oil, Mr. Schlesinger said, "One does not know how much the increase would have been in the absence of the attempt."

"The second point that must be kept in mind," Mr. Schlesinger said, "is that the developments in Iran have had a major impact on world oil markets. Spot prices have gone up, the market for crude is far tighter than we would have anticipated in the absence of the shortfall in Iranian production. This has had an impact on the psychology of the members of OPEC."

Sen. Henry Jackson, D-Wash., chairman of the Senate Energy and Natural Resources Committee, said that the OPEC price increase would do "violence" to Mr. Carter's anti-inflation program and would further complicate efforts to deregulate energy prices.

"It's also going to make relations more difficult with the OPEC countries," he continued. "The stability of the area is not all it should be. Some of those countries look to us for security arrangements. This thing couldn't have been worse timing."

## Israel Bars Cairo Bid

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assuring that the Egyptian-Israeli pact would supersede mutual defense pacts between Egypt and other Arab states.

Contributing to a hardening of Egypt's position, Mr. Dayan said, were threats of sanctions against Egypt by other Arab states after the Arab League conference last month in Baghdad, including tacit threats by Saudi Arabia of a cut-back in financial aid.

"It appears Sadat was impressed," Mr. Dayan told his staff in a lengthy review of the deterioration of the negotiations. The foreign minister reportedly added, "It appears the U.S. administration thinks that this is the maximum we can expect from Sadat."

Foreign Ministry sources meanwhile dismissed as "not likely" rumors circulating in Jerusalem that Israel was preparing an alternative peace plan under which proposals for Palestinian Arab autonomy on the West Bank would be shelved for the time being, and Egypt would be asked to negotiate a separate autonomy scheme for the Gaza Strip.

## Hinted Interest

The rumored proposal, based on the assumption that Mr. Sadat was more interested in resolving the self-determination issue for Gaza than for the West Bank, was said to be in the formative stages.

Israeli sources noted that Mr. Sadat had hinted such interest by insisting that the exchange of Egyptian and Israeli ambassadors should occur only after Palestinian autonomy was implemented, at least in the Gaza Strip. Moreover, an Israeli source said, Egypt has suggested dealing with Gaza autonomy first, and then using it as a model for the West Bank.

In other developments, the Knesset scheduled a major debate for tomorrow on the breakdown of the talks. Prime Minister Menachem Begin was to open the debate with a defense of his policy.



U.S. woman joins Peking residents in reading about new diplomatic ties between their two nations.

## Taiwan Plans Stronger Weapon System

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may be vulnerable to a naval blockade by China's estimated 75 submarines and 23 major surface combat vessels. Taiwan authorities are concentrating on augmenting their anti-submarine forces.

The best guarantee of Taiwan's security, however, remains its fast-growing industry, the prosperity and firm anti-Communism of its population, and China's preoccupation with military threats from the Soviet Union on its northern border and Vietnam on its southern border.

## Fear of Espionage

To Taiwan, the most serious immediate threat appears to be espionage by Communists agents on the island, a problem of undetermined magnitude. Taiwan must allow relatively free access to overseas Chinese businessmen. They provide the greatest amount of foreign investment in the island and help maintain vital commercial ties with dozens of nations that no longer officially recognize the government here. A few of these businessmen are thought to be Communist agents seeking to set up information and sabotage networks on the island.

The Taiwan garrison command announced that it had tightened surveillance on coastlines and airports and increased its "crackdown on agents." No arrests have been announced. Over the last few years, the command has jailed several non-Communist dissidents.

Legislative elections scheduled for Saturday have been postponed as Taiwan residents interviewed today said that they were willing to accept some new limits on democratic debate in the interests of unity.

## Rights Position Changes

"Before normalization, we had to be concerned with what the Americans thought about human rights, but now we don't have to pay attention to that," said Kuang Hsing-chien, a university senior. "We still care about human rights," said John Han, international news director for a business publication here, "but now we can say, 'don't interfere in our internal affairs.'"

Taiwan must be assured of a regular supply of spare parts for the U.S. weapons it has purchased over the years. Doubts about long-term supply of such parts from Israel was one reason the government recently turned down a deal to buy fighters from Israel.

Sources here said that the United States has agreed to sell about \$138 million in arms to Taiwan this year.

## Talks Collapse In W. German Steel Dispute

DUESSELDORF, Dec. 18 (UPI) — Talks between the two sides in West Germany's first steel strike in 50 years collapsed today after more than 24 hours of talks in which settlement seemed close.

Friedhelm Fehrmann, labor minister in the state of North-Rhine Westphalia and mediator in the dispute, said he could see no possibility of further talks between employers and leaders of the metalworkers union in a strike that has idled 80,000 workers in the Ruhr area. Bremen and Osnabrueck.

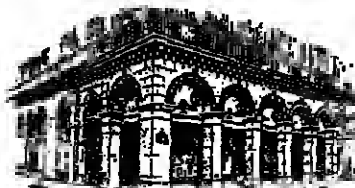
The strike so far has lasted 22 days. A total of 37,000 workers are said to be on strike, with a further 43,000 hit by employers' lockouts. The union demands introduction of a 35-hour week and a 5-percent pay increase. The employers are offering six weeks holiday and a 3-percent raise.

Some rather frivolous presents a man might think twice about buying for himself

If the fancy takes you to do something rather frivolous now Christmas is coming, here are some of Lanvin's more recherché ideas. A bathrobe in pure madder silk, the kind with the most velvety feel of all (£2,300). A thick, soft blouson in 100%

cashmere (£1,950), with a scarf in a matching design (£690). A huge traveling rug in alpaca and mohair (£1,200). A sports shirt in pure silk (£850). And a very fine briefcase — very practical, too — in leather and lambskin (£1,050).

Sumptuous gifts, all of them, that a man might hesitate to buy for himself.



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## It Tells Us How to Live

## Many Iran Women Seek Return to Islam Practice

By Nicholas Gage

TEHRAN, Dec. 18 (NYT) — Afshaneh, a 21-year-old senior at the University of Tehran, is prepared to die for the cause. She says that three of her friends have already been killed while participating in demonstrations. "If you call my home and my parents tell you I'm not home any more, then you'll know I've been killed too," she said.

The cause for which Afshaneh is ready to die, and for which hundreds of young Iranian men and women have already died, is the downfall of Shah Mohammed Reza Pahlavi and the establishment of a new Islamic republic — a conservative Moslem nation that will subordinate them to religious traditions that their parents' generation has been discarding for the last 20 years.

In Tehran, where most females wear Western dress, many college women these days are donning the chador, a traditional all-enveloping robe, as a gesture of defiance and explaining their action in words that to some Western ears sound quaint. "If you cover yourself, you give your character its true value, because people will not respond to you according to the way you look but to what you are," said Zahra Safary, a 25-year-old graduate student. "I know a couple who are engaged, both college graduates. The man has never seen his fiancée without the chador, but he fell in love with her the way she really is."

## Search for Security

For young women caught in the crosscurrents of a culture undergoing change, a return to conservative religious traditions can provide a security that Westernization does not.

Nahid, a sociology major at Pahlavi University who wears slacks and drapes her head in a brown scarf so that no skin shows except for her face and hands, recalled: "When I first started college, my professors were telling us that we should kiss a boy if we like him, even sleep with a man if we wanted to. But inside we were confused. We knew that it was spiritual love that matters. Now we feel more secure because Islam tells us that it is the right way to feel. It tells us how to live."

Not all women, of course, are as comforted by what is happening in Iran. "It's exciting that we are being awakened to the values of our religion," said Maryam Moghadam, the 34-year-old British-educated wife of an oral surgeon. "But the kind of society the mullahs want to create frightens me. It's a terrible step backward. Mullahs are Moslem religious leaders."

In recent years Iranian women have made important strides. They now represent one-third of the country's work force and 37 percent of students in colleges and universities. Women vote, and in cosmopolitan cities like Tehran they generally do not wear the veil.

But in spite of this progress, their position remains in many ways medieval. For instance, most brides are expected to produce a blood-

## Inheritance Laws

A daughter inherits only half of what her brother does from the family estate. A wife inherits only one-eighth of her husband's estate and none of his fixed assets, such as land. If her husband dies, she does not automatically become the guardian of her children, unless both their grandfathers are dead.

These laws are based on Islamic traditions and are likely to be stiffened if the mullah-dominated opposition takes power. Mehrvash Saffinia, former president of the Federation of Iranian Women's Lawyers, notes that the response of the lower house of parliament to the religious fervor has been to draft legislation to further curb women's rights. The bills would lower the age at which a woman can marry to 15, forbid women to serve in the armed forces and make abortion a capital crime.

Mrs. Saffinia, who is a former deputy in the lower house, declared, "I know my religion as well as any mullah and if it's practiced faithfully, I'm not afraid of a theology. Mohammed took his wife to battle with him. He didn't keep her locked up at home. The trouble is that men interpret it, Koran, Islam's holy book, 'to their own advantage.'"

Many women in the opposition feel they can hold their own in a new government even if it is controlled by religious leaders. "The men will not be able to push us aside," said a 27-year-old journalist. "We are fighting with them and dying with them. They know we will not accept it."

## Iran Troops Held Restive

(Continued from Page 1)

were wounded in shooting and a soldier then shot another.

## Arms Reportedly Downed

Soldiers put their arms down and joined the demonstrations with their vehicles, including 12 tanks, he said. Sources in Tehran, however, said there had been no tanks in city streets for several weeks and the reports may have referred to the Soviet-made armored personnel carriers used by the Iranian Army.

Mr. Bani Ahmad said that, according to his reports, soldiers had joined in the demonstration by late afternoon and tanks were positioned with pictures of the shah's chief religious opponent, Ayatollah Ruhollah Khomeini, and the principal religious leader in Iran, Ayatollah Kazem Shariat-Madari.

In the city of Qom, where most of the senior Shiite Moslem leaders are situated, some persons were injured by army shooting, opposition sources said. In Tehran, the demonstration was by about 10,000 people massed at the big Shah Zahir cemetery south of the city in response to the appeal for a day of mourning.

Most of the city's stores were closed and work in some ministries was disrupted by the strike, which followed about 100 deaths during military-supported demonstrations in support of the shah last week in Isfahan, nearby Najafabad, and Mashhad.

## March in Mashhad

In Mashhad, about 300,000 people today marched to the shrine, carrying the body of a man killed in an earlier clash, opposition sources said. They said there were no incidents during the march.

Meanwhile, the one-day strike further delayed a return to normal activity in a country dislocated by months of political strikes and sporadic outbreaks of violence. However, a promising sign was further increase in production of oil, on which the economy depends. After a three-week strike, output went up to 2.6 million barrels a day, approaching half the normal level. Nearly 2 million barrels were for export to fill supertankers awaiting cargo in the Gulf.

## Shiite Leaders Talk

PARIS, Dec. 18 (Reuters) — Iranian religious leader flew to Paris today for talks with Ayatollah Khomeini and said there could be a solution to Iran's crisis unless shah's dynasty was overthrown. Ayatollah Khomeini, all Montazer al-Shirazi leader from Qom, said had come for talks with the shah, religious leader about Islam and the future of Iran.

## Seven Are Hurt In Athens Blast

ATHENS, Dec. 18 (AP) — For one, bombs exploded here last night, injuring seven persons, police said.

The announcement indicated that rightist extremists were responsible and said that seven suspects were being questioned as that exploded over two hours, officials said.

The devices were identical: those employed on two previous occasions this year. Those bombs were blamed on rightist extremists, the police added.

The more you know about Scotch, the more you like Ballantine's.



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## In 1950 Directive

## U.S. Selected Nevada Site With Few A-Tests in Mind

LAS VEGAS, Dec. 18 (UPI) — U.S. government documents indicate that the 28-year-old nuclear testing program in Nevada was originally intended to be no more than "a few relatively low-order detonations," it was reported today.

The Las Vegas Sun said the recently declassified documents revealed that the National Security Council directed the Atomic Energy Commission (AEC) on Nov. 14, 1950, to find a continental U.S. site "at which a few relatively low-order detonations may be done safely and with a minimum unproductive cost in time, effort and money at the earliest possible date."

The search was limited to sites meeting "the urgent requirements of the immediate weapons-development program." Those requirements included, among other things, relative safety from enemy attack.

The Sun quoted former AEC Chairman David L. Broun as saying that Gen. Dwight Eisenhower had told a National Security Council meeting in June, 1947, that he was "strongly opposed" to a nuclear testing facility in the United States.

The newspaper said a top-secret military study, code-named "Nutmeg," concluded two years

later "that the arid Southwest [was] a preferred location" for such a facility. However, the proposal was shelved "for possible later consideration in the event of an emergency," according to a memorandum.

But pressed by China's entry into the Korean War, President Harry Truman gave his approval for a continental nuclear-testing facility in November 1950.

The Sun said the AEC filed a confidential four-page report with a special committee of the National Security Council on Dec. 13, 1950, recommending that the president approve "the development of a portfolio of the Las Vegas Bombing and Gunnery Range as an atomic weapons test site."

The report, it suggested, a facility near Las Vegas, said that "less remote continental sites present questions of radiological safety for tests of very high energy release and other tests which might involve a very high order of radiological contamination." These latter questions may be answered satisfactorily as test knowledge increases through experiments... but they are not satisfactorily answered at present.

The Nevada site was deemed by the AEC to be the "most desirable" because it was near the Los Alamos Scientific Laboratory in New Mexico, the home of the weapons program. In addition, the land was already under government control, "meteorological conditions and population density are such that some of the most urgent atomic weapons tests can be safely conducted well within acceptable limits of radiological safety."

Mr. Truman approved the Nevada site Dec. 18, 1950, before the U.S. Army Corps of Engineers completed its studies on radiological safety factors. Six weeks later, an Air Force bomber dropped a one-kiloton device — equivalent to 1,000 tons of TNT — at the site.

In all, 84 above-ground nuclear detonations were conducted there before the 1963 Nuclear Test Ban Treaty between the United States, Britain and the Soviet Union outlawed atmospheric tests. Underground tests in Nevada continued. More than 100 claims that radiation from the above-ground tests caused cancer in residents in southern Utah, northern Arizona and Nevada are expected to be filed with the Department of Energy by the end of this month. The claims seek millions of dollars in damages for cancer-related deaths.

Ecevit Visiting Sweden

STOCKHOLM, Dec. 18 (AP) — Turkish Premier Bulent Ecevit arrived here today for a two-day visit which will include talks with Swedish officials.



VIND-CHILL VIPER — Here's one way to keep your head warm on frosty winter days — wear a snake. Michael Russo, a Princeton University sophomore, takes his pet python wherever he goes on the Princeton, N.J., campus.

## Brown Backs Reductions In U.S. Military Pensions

By Bernard Weinraub

WASHINGTON, Dec. 18 (NYT) — Defense Secretary Harold Brown, in a move that has upset many military officers, has proposed a major reform of the military pension system that would reduce the amount of money paid to those who leave the service after 20 years.

Mr. Brown's recommendations to President Carter are expected to serve as the framework for the first comprehensive change in decades in the military pension system. Critics of the system say that pension costs are almost out of control, and that pensions are the fastest growing item in the defense budget.

Mr. Brown, in his proposals last week to Mr. Carter, urged a reduction in the amount of money paid to retirees who leave the military after 20 years.

Defense sources said that Mr. Brown proposed limiting the pension rate to 37.5 percent of active pay after an enlisted man or officer serves 20 years. At the age of 60, the retiree would receive 50 percent of active pay.

Mr. Brown also proposed an inducement to servicemen to stay on active duty for at least 10 years. He suggested cash payments to anyone serving 10 years or more, enabling newly retired veterans to use the payments to buy homes and otherwise help in their transition to civilian life. These payments would be charged against their future pension rights.

Currently, veterans who leave the service before 20 years get nothing. Mr. Brown's recommendations represent a compromise between ranking military officers, who want no change in the current pension system, and a presidential commission that urged last April that it be overhauled drastically. The panel, termed military pensions "inequitable" and too expensive, proposed that anyone who left the service after 20 years would have to wait until age 62 to collect a pension.

The panel said that its proposals eventually could save \$10 billion a year. Defense officials said that Mr. Brown's proposals would probably be "in the same range" as the commission's proposals.

## Spread Support Across Political Spectrum

## Jones Aided Nixon, Other GOP Figures

By Doyle McManus and Henry Weinstein

LOS ANGELES, Dec. 18 — He preached a bizarre blend of Marxism and Christianity to his flock, made his Peoples Temple into a force in San Francisco Democratic politics and met his end at a Socialist commune in the jungles of Guyana.

But for at least six years James Jones was also a registered Republican and put his followers to work for Richard Nixon and other Republican candidates in Mendocino County in Northern California with the same fervor he later gave Democrats in San Francisco.

From 1968 through 1972, the Peoples Temple — then based in Redwood Valley, a village near Ukiah, Calif. — supplied volunteer workers to the local Republican Party, and even had a member of the GOP's county central committee in its ranks.

In 1974, Jones and his followers wrote letters of support to Mr. Nixon, who was then threatened with impeachment — "sort of bang in there, Mr. President," letters, a former Temple member recalled.

Covered Political Map

Despite his self-proclaimed ideology of communal socialism, Jones cultivated figures all over the local political map — from Communist Party member Angela Davis to Walter Heady, the Mendocino County chairman of the ultraconservative John Birch Society.

On one occasion, Mr. Heady recalled, Jones even tried to enlist the Birch Society's support to get the former Black Panther Party leader, Eldridge Cleaver, out of prison.

The remaining followers of Jones insist that their leader was a genuine Socialist. But Temple members who left the church and some of the politicians who received its aid have since concluded that Jones was neither a Socialist, a Democrat nor a Republican. He was, they said, an opportunist.

"His thinking was simply to vote for the winner — for whoever could help them," said Marge Boynton, a former chairman of the Mendocino County Republican Party.

Reagan's View

"I'll try not to be happy in saying this," former Gov. Ronald Reagan said of Jones last month. "He supported a number of political figures, but seemed to be more involved with the Democratic Party. I haven't seen anyone in the Republican Party having been helped by him or seeking his help."

Local Republican leaders in both San Francisco and Ukiah know otherwise. From 1968 through 1976, Jones supported Republican Congressman Don Clausen, of

Crescent City. State Sen. Milton Marks, a San Francisco Republican, and even — although indirectly, through Mrs. Boynton's central committee — Ronald Reagan.

"They were a dream come true," Mrs. Boynton, still a Republican activist, recalled. "They'd do precinct work, they'd get information from the courthouse. They'd do the grubbiest — addressing envelopes, making phone calls. They'd do anything you'd ask, and so quickly you couldn't believe it."

Jones arrived in Ukiah in 1966 and almost immediately took an interest in local politics. His first election efforts were on behalf of a Democratic candidate for sheriff, who won.

"He was a registered Republican at the time," Mrs. Boynton said. "He said Mr. Nixon was a fine man. They [the Temple members] led you to believe they had a basically Republican philosophy."

At the same time, former Temple members said, Jones was gradually giving his radical gospel of social concern a Marxist ideology. Members of the church went by bus to San Francisco to march in demonstrations against the Vietnam war.

Jones, who had declared himself the reincarnation of Jesus in the mid-1960s, then announced he was

the reincarnation of Lenin as well, according to Mrs. Dunn, told one of his mistresses that she was the reincarnation of Lenin's wife, Nadezhda Krupskaya.

But in conservative, Republican-voting Mendocino County, Jones was also a Republican. As late as 1972, Mrs. Boynton said, "they were very solidly for Nixon."

Same Offer

"He worked mainly through the central committee," she said. "You couldn't say they were always around the political scene, but whenever we had something that needed to be done, we knew we could call on them."

Jones made the same offer to Democrats.

"They let us know that they were willing to work for us, but their involvement was minimal," said Sybil Hinkle, who managed the successful assembly campaign of State Sen. Barry Keene in 1972.

As it was in his later years in San Francisco, Jones' strength was not in financial contributions to candidates but in his ready pool of volunteer workers. Mrs. Boynton said she could not remember any contributions of funds from Jones or the Temple.

Los Angeles Times

## Jones Son Says He Killed Cult Woman, 3 Children

GEORGETOWN, Guyana, Dec. 18 (UPI) — The 19-year-old son of Peoples Temple leader James Jones today confessed to the murder of an official of the cult and her three children after the killing of Rep. Leo Ryan, D-Calif., and four other Americans.

The admission by Stephan Jones, 19, startled a magistrate's hearing held to determine if enough evidence was available to charge cultist Charles Beikman with the Nov. 18 slaying.

"I killed those people and I'm trying to throw it off on the accused," Mr. Jones told the court. Mr. Beikman appeared to be startled by the confession, but said nothing.

Magistrate Desmond Christian replied that he was considering filing contempt charges against the younger Jones for the statement, but he added that he was aware that the teen-ager was under considerable stress.

The surprise confession followed by one day the introduction of evidence that the Peoples Temple planned to leave more than \$7 million to the Soviet Communist Party to help "oppressed peoples all over the world."

The information was contained in a letter presented yesterday at a coroner's inquest into the slaying of

Rep. Ryan and the subsequent mass suicide-murder of more than 900 cultists at the Jonestown, Guyana, commune.

In earlier statements, Mr. Jones had said nothing about killing anyone. He had told police that he was in a hotel with other cult members at the time that Sharon Amos and her children were slain at the cult's Georgetown headquarters.

Mr. Beikman, a 45-year-old shoe-maker, was suspected of slitting the throats of Mrs. Amos and her children, Liane Harris, 21, Crystal, 11, and Martin, 9, shortly after Rep. Ryan, three American newsmen and a Peoples Temple defector were killed near Jonestown.

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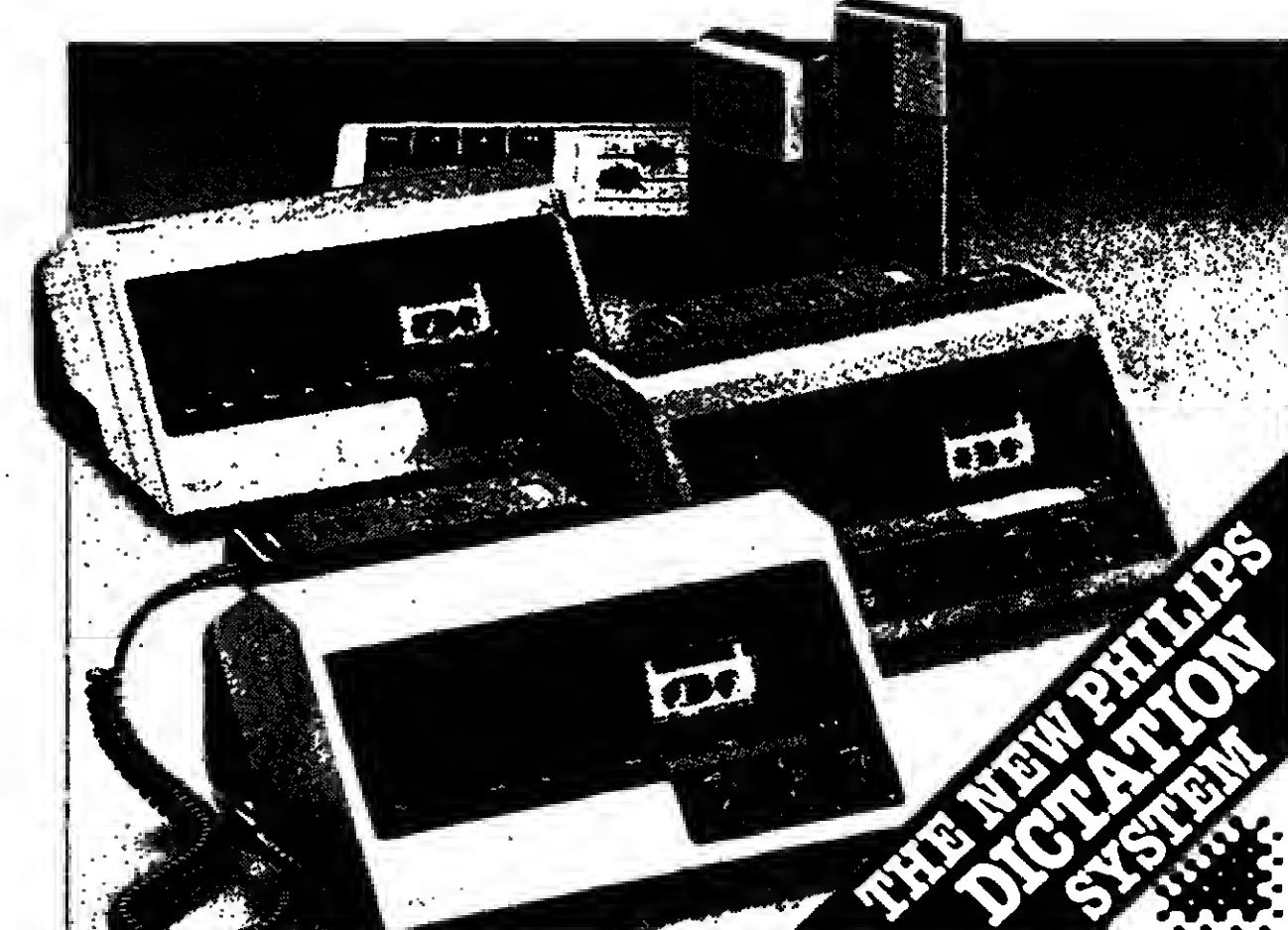
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## Police Report Beam of Light

## Flurry of UFO Sightings In Italy Reaches Romans

By Henry Tanner

ROME, Dec. 18 (NYT) — The skies of Italy, it seems, are full of OVNI's, the Italian version of UFO's.

Unidentified flying objects that give off green, red or white lights and have a hole in the middle have been reported, and in some cases, photographed, at dozens of places between Palermo, Sicily, and Milan, to the north.

Thursday, the phenomenon of the OVNI — "oggetto volante non identificato" in Italian — hit Rome for the first time, being reported by none other than the officers on duty in the operations room of police headquarters.

Dozens of people called, all with the same message: "We see an enormous beam of green light just overhead." A lieutenant and a commissioned officer, "driven by curiosity," as they said later, ran out on the terrace and exclaimed: "We see an enormous beam of green light!" The light disappeared in a north-northwesterly direction between Tiberina and Salaria, two residential quarters.

In Palermo on Tuesday a bank clerk, Nino Raffagnino, said he spotted an object just before midnight, made a dash for his 1,000-mm telephoto lens and came up with a series of pictures that appeared in the press. One, taken when the object was stationary, according to Mr. Raffagnino, showed a disc of light with a hole in the middle.

Officers of the Palermo police, alerted by citizens' calls, also snapped pictures and sent them to the newspapers. Taken while the object appeared to be moving, they showed a long, wide streak of light in the dark sky. Reports of sightings also came from a night patrol of Carabinieri, the national police, at Lecce, in the south, and from two soldiers standing guard at Brigidisi, on the Adriatic coast.

## Housewife sells 'glass plate' for \$40; worth \$1,700

NILES, Ill. (USA) — The story of a small fortune, lost because a housewife had no idea her glass plate was a collector's item, recently came to light.

In a letter to J. R. MacArthur, chairman of The Bradford Exchange, world's largest trading center in collector's plates, a Madison, Wis., (USA) woman wrote: "I had a Lalique 1965 plate... which I sold to a friend for \$40. I had not heard of you at that time."

The plate she sold is actually valued at more than \$1,700. Although MacArthur points out that this price is exceptionally high, he said, "I'm afraid others may be losing hundreds or thousands of dollars by not knowing what their plates are worth."

To aid in identifying valuable plates, the Exchange issues a report that includes current prices on more than 900 plates, guidelines on what to look for and when to buy, and the plate evaluation checklist used by the Exchange.

To obtain a copy without cost or obligation, send your name and address by December 30 to: Bradford Exchange G.M.B.H., Dept. 64051, Oelbergstrasse 80, 5 Köln 51 Germany.

## More Sightings Reported

ROME, Dec. 18 (UPI) — Mysterious lights and globe-like objects were reported in predawn skies throughout Italy today as police tried to assure wary citizens they had not seen space ships.

Globe emitting white and yellow light was sighted from Milan to the small town of Vibo Valentia, in the southern province of Calabria.

Farmers in Tuscany also said they saw a round glowing object soaring above them.



TEA TIME — Local militia units, following the example of their ancestors 205 years ago, boarded the ship Beaver Saturday for a tea party in Boston Harbor. But this time they threw boxes of leaves, rather than tea, overboard in enactment of the Boston Tea Party of 1773.

## Honecker Calls Move 'Unavoidable'

## East Germany to Raise Arms Spending

By Ellen Lentz

BERLIN, Dec. 18 (NYT) — Despite economic setbacks and shortages in domestic energy supplies, East Germany has announced a 5 percent increase in arms spending next year to strengthen the Warsaw Pact military alliance.

Erich Honecker, the East German leader, announced the increase at a session of the Communist Party's Central Committee last week. He called the move "necessary and unavoidable" to maintain a balance against the North Atlantic Treaty Organization, and said that the decision had been taken last month in Moscow at a Warsaw Pact meeting.

In the parts of his speech that were made public, Mr. Honecker did not mention Romania's refusal to go along with the increase in military spending. By stressing that the move was inevitable, he seemed to indicate that it was also painful for East Germany, in view of its economic strains.

In an apparent allusion to popular discontent, he exhorted officials to strengthen "the confidence of our party and our government."

## Coal Shortage

One reason for unrest is a breakdown in the supply of coal, the main domestic heating fuel, at the start of the cold season. "We have enough coal only to last us until next Monday," an 85-year-old East Berlin woman said the other day as she stood shivering in a cold room, wearing two sweaters over her normal clothing. "We have to keep the

fire low to save energy," she told a visitor.

An electrician from a village in the Harz mountains called the situation "outrageous." He said that his coal dealer had told him no fuel was available. "Thirty-three years after the war, coal is still rationed in our part of Germany and we cannot even get the amount allotted to us," he said.

At the Central Committee meeting, party leaders attributed the disruptions to a storm in August that flooded strip mines and damaged equipment. By November, the official statement said, repairs had not been completed because of a lack of spare parts.

The electrician said that shortages had hit not only home owners, but also industry and power plants. "We have to count on electricity cuts this winter," he said.

According to the party, emergency measures have been ordered "to insure an uninterrupted flow of supply to industry and home owners." The statement did not list the steps to be taken.

## Leading Producer

East Germany's coal supplies are all of the brown coal, or lignite, variety, which generates less heat than bituminous coal and anthracite. With annual output running at 250 million tons, East Germany is the world's leading producer of this low-grade coal, which is the principal fuel, used not only for home-heating but also for generation of electricity.

Imports of Soviet petroleum are being kept to a minimum because of price rises, Mr. Honecker said

that "difficult foreign trade conditions" required austerity and a reduction of imports.

Meat shortages, long a fact of life in Poland and the Soviet Union, have now caught up with East Germany, too. The official party statement confirmed that cattle and hog holdings were not up to par. It attributed the reduction in stock to recent poor harvests.

The 1979 budget, adopted by the nominal parliament on the basis of the party decision, puts total outlays at the equivalent of \$72 billion. Military spending is to go up to \$4.5 billion, and a 5-percent increase was ordered for a related purpose, that of guarding the frontiers.

In the light of existing strains, economic goals were lowered, with a growth-rate target of 4.3 percent for next year's gross national product.

## San Diego County Pushes Solar Heat in New Homes

SAN DIEGO, Dec. 18 (NYT) — A pioneering solar-energy regulation, just enacted over objections from the construction industry, will require that solar water-heating units be installed in up to a third of new homes in this area.

At the same time, local officials are drafting so-called "right-to-light" legislation that would guarantee homeowners access to the sunlight that is needed to power such systems. Both steps are the result of actions taken last week by the San Diego County Board of Supervisors.

One supervisor, Roger Hedgecock, who installed a solar unit in his own home two years ago, said it was time to stop "fiddling around" and to take positive steps to promote energy self-sufficiency, especially because of the nation's growing dependence on imported oil.

The ordinance adopted by the board requires the installation of a solar-powered water-heating device and a backup gas or electric water heater on each home built after Oct. 1, 1979, in areas not served by natural gas. Twelve months later, the requirement will be imposed in areas with natural-gas service.

The regulation applies to the county's 3,700 square miles of unincorporated territory, which includes a number of large communities, as well as vast tracts of mountain and desert.

## First of Its Kind

Eric Pulliam, the county's energy director, said that from 8,000 to 10,000 homes are built each year in these areas, accounting for nearly a third of the annual housing starts in the San Diego area.

Mr. Pulliam said the ordinance was believed to be the first of its kind to be adopted by a local government in the United States.

Mr. Pulliam also said work had begun on an ordinance to guarantee the concept of "solar access," so that homes with solar-energy systems will not have the sun's rays blocked by other homes and buildings.

Many homes in the area — where sunny, 70-degree weather is not uncommon in December — already are being built with solar-energy systems, and the number of manu-

## In Apparent New IRA Offensive 2 Bombs Set Off in London; 3d Defused

By Roy Reed

LONDON, Dec. 18 (NYT) — Two bombs exploded and a third was defused in central London today in the second round of what appears to be a new English bombing offensive by the Provisional Irish Republican Army.

Unexploded bombs were also found and defused in two cities that were hit by explosions yesterday. London was the sixth target city in England since a first wave of bombs went off early yesterday in Manchester, Liverpool, Bristol, Southampton and Coventry.

The bombs caused extensive damage and slightly injured 14 persons, including five in London.

The Provisional IRA tonight took responsibility for the blasts and said it had deliberately chosen the targets and hours to avoid casualties.

"We now give due warning to you, the English people, that in future both the targets and the timing might be changed," said the statement sent to newspapers and news agencies. "Don't remain complacent because of the nature of these attacks," it added.

The Provisionals have hinted for months that they would bring their campaign to England again. Some IRA leaders reportedly believe that bombing there, which has occurred sporadically since 1973, increases pressure for British withdrawal from Northern Ireland.

The bombings probably are also

connected to an IRA campaign to get political prisoner status for members convicted of killing and bombing in Northern Ireland. Roy Mason, the secretary of state for Northern Ireland, insists that the prisoners are criminals and deserve no special treatment.

The three London bombs were planted in cars in the central office district, a few blocks east of the city's busiest shopping district, Oxford Street. The explosions occurred about 1 a.m., which probably accounted for the fact that there were few injuries.

The first, estimated at 30 pounds, exploded in High Holborn Street near a club and an office building housing part of the Department of the Environment. It damaged several buildings.

As policemen and firemen went to the scene, a smaller bomb went off a few blocks away in the basement car park of a hotel run by the YMCA near the British Museum. The explosion set fire to the fuel tank of another car and it also blew

up. More than 300 hotel guests were ushered out of their rooms while police searched for other bombs.

Later today police found and defused a car bomb nearby in Windmill Street just off a main artery, Tottenham Court Road. All three were cars rented through the use of stolen driver's licenses.

Heathrow Airport was put under tight guard.

Officials were warned last week that a new bombing offensive was to start. The warning was made by Monsignor Michael Buckley, a founder of the Peace Movement in England. A spokesman for the Northern Ireland office confirmed that the clergyman had passed on information. He said in a radio interview yesterday that he had received inside information about IRA plans for an offensive in England.

The previous bombings by the IRA in England were in January 1977, when London's Oxford Street was hit by several small explosions. Except for a fire at Selfridge's department store, there was little damage.

But 92 persons were killed and scores injured during bombings in 1973 and 1974. The campaign continued with less serious loss until early 1977. More than 100 IRA members were convicted and imprisoned in Britain.

## Baron Poushental Dies; Fought for Czar, White Army

MIAMI BEACH, Dec. 18 (UPI)

Baron Vladimir Kuhn von Poushental, 83, a Russian emigre who served in czarist armies during World War I and with White armies during the civil war that followed, died Saturday at his home here.

Baron Poushental was born at Tiflis, in Georgia, the son of a military engineer in the service of the czar. In 1915 he joined the army and was trained as a pilot. In fighting against the Red Army following the 1917 revolution, his plane was shot down in the Black Sea. He was rescued by the crew of a passing warship.

Following the collapse of the White forces, the baron fled to Turkey and later to the United States, where he founded a Russian emigre settlement in Maine.

## Blanche Calloway Jones

BALTIMORE, Dec. 18 (AP) — Singer Blanche Calloway Jones, the sister of bandleader Cab Calloway died here Saturday after a long illness.

Mrs. Jones began her career in the 1920s. She starred in the New York musical "Shuffle Along" and sang with the Earl Hines and Louis Armstrong bands and briefly with Duke Ellington. Her two best known songs in the 1920s were "Rhythm in the River" and "I Need Loving."

## Don Ellis

NORTH HOLLYWOOD, Calif., Dec. 18 (AP) — Bandleader and jazz trumpet Doo Ellis, 44, who composed scores for "The French Connection" and other films, died yesterday at his home of an apparent heart attack.

## 10 Die on Ecuador Bus

QUITO, Ecuador, Dec. 18 (Reuters) — Ten passengers were killed and 21 suffered serious injuries when a bus burst into flames yesterday in suburban Quito, police reported today.

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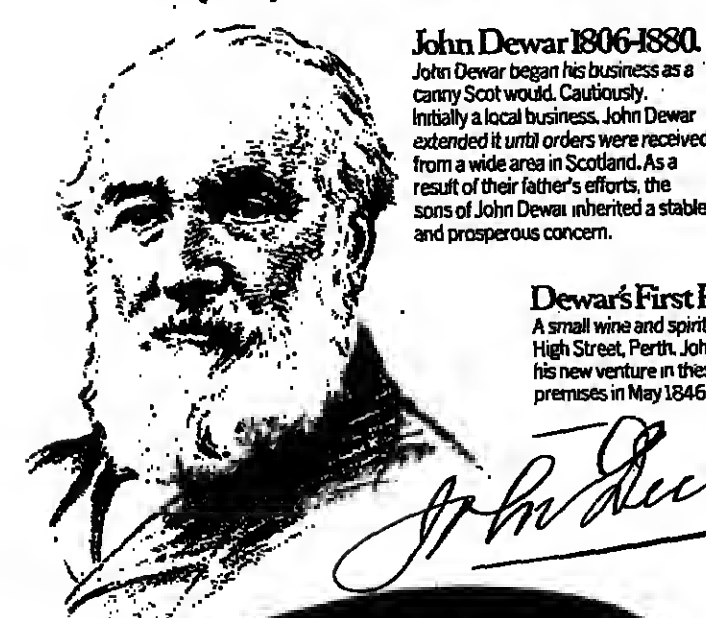
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## What's in a name?



## John Dewar 1806-1880

John Dewar began his business as a whisky distiller. Initially a local business, John Dewar extended it until orders were received from a wide area in Scotland. As a result of their father's efforts, the sons of John Dewar inherited a stable and prosperous concern.

## Dewar's First Premises.

A small wine and spirit shop at 111, High Street, Perth, John Dewar began his new venture in these humble premises in May 1846.



## Dewar's Export Drive

The first export drive was aimed at England. Once a London base had been secured, the Dewar family set out to conquer the world. Today, Dewar's whiskies are enjoyed world-wide. Of the 250,000 bottles produced daily, 9 out of 10 are exported. England is no longer regarded as an export market!

## Dewar's Maturing

After distillation, Scotch, malt and grain whiskies must be matured in wooden casks. This process, sometimes lasting as long as 15 years, transforms the spirit into a smooth mellow whisky, ready for blending and bottling. Dewar's were the first firm in Scotland to bottle their own blended Scotch whisky.

## The Dewar Highlander

The symbol of the House of Dewar, the Dewar Highlander is known all over the world.

## Dewar's Popular Faces

Dewar's 'White Label', Ancestor and Dewar's Pure Malt, 12 years old. These are the faces of Dewar's that are recognised all over the world. Everything Dewar's have learnt about making Scotch whisky during more than 125 years, goes into these bottles.



The Dewar Highlander

## A lot when it's Dewar's







## Asia's Helsinki Accord

It was inevitable that President Carter's agreement with China should inspire an initial emphasis on such matters as its timing — blanketing out the stalemate in the Camp David treaty; its implications for relations between Congress and the president. Does the Senate have the right to vote on ending such treaties as the alliance with Taiwan and on the potentials for Taiwan and for U.S. prestige in the world?

But this agreement is also an extension to the Far East of much that has already occurred in Europe. It is, for Asia, an acceptance of the results of World War II.

That war never had its Versailles conference or the kind of overall treaties that were supposed to have ended World War I. It did touch off a painful cold war between the victorious superpowers and many bloody struggles in many parts of the world. But at least after more than 30 years it had not brought on the baleful replica that World War I produced after 21 years.

The end of Hitler left a bitterly split Europe; Japan's surrender left an equally divided Asia. Soviet armies dominated Central Europe and much of the Balkans; Communists seized northern Korea, and, after grim wars, mainland China and, eventually, Indochina. Regions like partitioned Germany (especially Berlin) and Taiwan, as the last headquarters of Nationalist China, remained as especially sensitive areas of conflicting political and strategic aspiration. And all of this occurred in a world increasingly interdependent for goods, products and ideas, a world that could be destroyed in nuclear conflict.

The European dilemma was resolved, or at least relieved, by the Helsinki recognition of existing frontiers. The Asian dilemma remains in parts of the continent, but the decision by the United States to accept a single Communist China (following the withdrawal from Indochina) has at least ended one major confrontation, while Taiwan seems in no immediate practical danger from the mainland.

Had all of this occurred immediately after Germany and Japan were defeated it would have been regarded as a huge triumph for Stalin's monolithic Communism. The total still represents a substantial setback for the hopes of the democratic West. But if that West proved less strong in power or will than many hoped — so did Stalin's regime. That the Chinese agreement with the United States should be as much of a blow to Moscow as to Taipei is a dramatic example of how the world has changed from the simplistic dichotomy of a decade or so ago. And, while the divisions within the two main camps as well as in the emerging world outside them raises the peril of war, at least there is some room for negotiation, some hope of settlements.

So, in itself, the Washington-Peking agreement presents the prospects of interesting political and economic developments on both sides of the Pacific. But it is also a part of the huge, and thus far too successful, effort to wrap up the dangerous remnants of World War II.

## A Right Price for Oil?

Imagine two "Gnomes of Zurich," those prototypical international financiers, in starched white shirts and rimless glasses, trying to decide whether to sell gold and buy dollars. What do they now want the United States to do about oil prices? One might be rooting for the price to go up. That would force Americans to use it more sparingly, import less and thus strengthen the dollar. The other, just as calculating, might be rooting for a lower, or at least stable, oil price. That would help the Carter administration retard inflation — and thus strengthen the dollar.

The two mock financiers personify a dilemma of uncommon difficulty for Jimmy Carter. Controlling inflation and controlling oil imports are both at the top of his agenda — but he must soon choose between them. In 1975, Congress imposed mandatory controls on the price of oil produced in the United States. Those controls expire next May. In their place, Congress authorized discretionary controls, to run until October, 1981. The discretion is the president's; he can continue, and even expand the controls; or end them altogether. There are compelling arguments on both sides.

Should the president decontrol domestic oil prices?

That's what he said he would do in his "Bonn commitment," after the economic summit meeting last July, asserting that "the prices paid for oil in the United States should be raised to the world level by the end of 1980." That would have major benefits. The nation now guzzles \$45 billion a year in imported oil; that appetite has to be curbed. Decontrol of domestic prices would finally eliminate the clumsy "entitlements" program which now subsidizes those imports, stimulate domestic production and promote conservation. The consequent reduction in imports would bolster the dollar and free the nation from its present vulnerability to the vicissitudes of international life; unrest in Iran is only the latest example.

Should the president maintain oil price controls?

Carter may have made a "Bonn commitment" to higher oil prices but he made another commitment in the same declaration:

"Reducing inflation is essential to maintaining a healthy United States economic policy." Inflation has not improved since and he is embarked on an intense program to keep prices and wages down. How can he keep a lid on prices generally if he suddenly takes the lid off oil prices? That lid now saves purchasers \$13 billion a year, even without an OPEC price rise. Decontrol would push the inflation rate, already above 9 percent, into double digits.

To our reading, oil prices are a burning problem, but they are, so to speak, a fire in the garage. Inflation, on the other hand, is a fire in the kitchen. If a blunt choice has to be made, the fire in the kitchen has to be put out first. But, generally speaking, whenever irresistible force meets immovable object, both should yield. A sensible basis for compromise is available to the president. He can decontrol oil prices, but in stages, ending perhaps when the control law expires in October 1981. That would demonstrate a commitment to higher oil prices yet at the same time minimize their inflationary impact.

Even such a compromise would raise a lesser but politically harder problem. As controls go off, profits go up. Who should get them? Some think that's the luck of the draw in a free enterprise system and that the windfalls should go entirely to the producers. We disagree. The windfalls would result from concerted action by the OPEC cartel. Had U.S. oil producers combined directly to raise prices to the world level, they would have surely been subject to stern anti-trust action. Is it equitable for them to win all the profit from such prices indirectly? Producers would surely be entitled to some profit increases. But excessive profits should be taxed away.

A new tax means going back to Congress. The administration may dread that prospect; the last energy program took fully 343 days to enact. But an excess profits tax is necessary. It would be small consolation for the president to end up with an oil-inflation compromise that the "Gnomes" deem economically satisfactory but the country deems socially unjust.

THE NEW YORK TIMES.

### International Opinion

#### SWAPO in Namibia Vote

Boycotted by SWAPO (South-West African Peoples Organization), South-West Africa's first one-man, one-vote general election nonetheless drew an 81 percent turnout. The United Nations, African front-line presidents and the Western powers variously bullied, cajoled or pleaded with South Africa not to hold it. . . . The threats of SWAPO to victimize electors do not seem to have been very effective. . . . Very many Ovambos — the

largest tribe, traditionally closely allied with SWAPO and comprising some 45 percent of the population — must have voted for a non-SWAPO party. In a word, the election has been an exercise of democracy in a continent where that word has no great currency, a vindication of South Africa's determination in the face of world opinion, and a clear indication that SWAPO's support is much less than was generally supposed.

— From the Daily Telegraph (London).

### In the International Edition

#### Seventy-Five Years Ago

December 19, 1903

NEW YORK — Messrs. Wilbur and Orville Wright, of Ohio, successfully experimented with a flying machine yesterday at Kittyhawk, in North Carolina. The machine has no balloon attachment and derives its force from propellers worked by a small engine. In the face of a wind blowing at 21 miles per hour the machine flew several hundred feet at a rate of eight miles an hour and descended at a point selected in advance. In construction, this frail and spindly airship looks very much like a box kite. It is unknown what this experiment might lead to.

#### Fifty Years Ago

December 19, 1928

JERUSALEM — The unrest in Arabia, where more and more tribes are breaking away from the control of Ibn Saud, is expected to lead to serious trouble among all the Arab tribes in this region. Ibn Saud is the current leader of the Wahabi sect of Islam, which was founded in the 18th century with the belief that it should wage war against all other Islam sects, and which has several times attempted to conquer all its neighbors. With no effective control, the annual inter-tribal raiding and plundering season, due in a few weeks, should prove especially damaging.



View From Venus of a Planet With High Surface Temperatures.

## Still Within Reach

By Anthony Lewis

BOSTON — The news from Israel and Egypt is serious but not desperate. One who has been involved in the tortuous efforts to negotiate a treaty sums it up as follows:

"The draft is agreed 99.9 percent. Objectively, the differences are not great. But on the few remaining issues feelings are intense, and there is no sign right now of any more give on either side."

Logically, then, agreement is still within reach — but it is not clear how it can be reached. The immediate prospect is for a pause of a few weeks. What happens in that time may be crucial: whether the parties further emotionalize their differences or reflect on how much they really agree.

### Key Points

The first need is to get the remaining differences in perspective. For notwithstanding the furious Israeli Cabinet denunciation of the U.S. role, Secretary of State Vance last week in fact moved President Sadat toward compromise on key points.

When Vance arrived, Sadat was insisting on a fixed date for elections to the West Bank-Gaza self-governing council: next September, when Israel's first interim withdrawal from the Sinai would also be completed. Normalization of relations would start only after both those events.

Vance persuaded Sadat to drop the fixed September date for West Bank elections and accept the U.S. idea of a "target" three months later. Sadat also agreed to go ahead after the interim withdrawal with most normalization: diplomatic relations, embassies, open borders and so on. The one thing he still would hold off until the elections was sending ambassadors.

The two points on which Israel has serious objections are the target of West Bank elections by the end of 1979, and the idea of not exchanging ambassadors until those elections are held. Other points are in dispute, but negotiators on both sides have treated them as minor or soluble.

### Unraveled

How can the two issues be resolved? Only, I think, by understanding what made agreement possible at Camp David and what has unraveled it since.

For 30 years, Israel and the Arabs have seen their relations as a zero-sum game — one in which any gain for one side is a loss for the other. Agreement was possible at Camp David because the leaders of Israel and Egypt had come to see

that the two countries had common interests, that both could gain at the same time.

Sadat made the change when he went to Jerusalem. That was a gesture of immense importance to Israel. In the old logic, it would therefore have been viewed as bad for Egypt — and in fact Sadat's critics saw it in just that way. But Sadat saw the trip as opening the way to joint benefits.

Begin, too, shed the zero-sum outlook. When negotiations with Egypt began, a year ago, he insisted that Israel must keep settlements and airfields in the Sinai; he said, indeed, that no Israeli government could give up those settlements. But at Camp David he agreed to give them up, and made other concessions, for the sake of a larger common interest.

Camp David worked because it was secret. Sadat and Begin could deal, and respond to President Carter's suggestions, without having their constituencies looking over their shoulders. They did not have to explain anything back home until it was part of a package agreement that made compromises seem worthwhile.

David is that the negotiating process has gone public. Sadat has had to worry about his Arab critics, especially since the Baghdad summit. Begin has had to worry about opposition in his own party and from an increasingly negative Labor Party. The old zero-sum attitude has slipped back in.

### Vital Symbol

To Sadat, refusal to commit himself to an immediate exchange of ambassadors after the first Sinai withdrawal no doubt seems justifiable. Other diplomats will go ahead, and the Camp David agreement did not technically demand ambassadors at once. But the spirit of Camp David did, and the world so understood it. If Sadat wants an agreement, he will have to understand that many in Israel still doubt his intentions and that ambassadors are a vital, reassuring symbol.

Begin's resistance on the election target date is also understandable if one sees that issue from only an Israeli viewpoint. But if he wants an agreement, he will have to understand Sadat's necessities, too: understand that reluctance to accept even a target date makes Sadat wonder whether Begin really intends to go ahead with his own autonomy plan.

A process of peace has started, but it cannot work if either side insists on its version of a detail. Henry Kissinger said last week: "I

think Sadat was right in trying to establish linkage with the next phase of the negotiations on the West Bank and Gaza. Now that the Israelis have accepted the principle — and are only holding back about the date of elections — all that seems to be left is to work out details. I can't believe it will fail on this issue."

## Teng's Taiwan Concession

By Rowland Evans and Robert Novak

WASHINGTON — When Teng Hsiao-ping closed a two-hour interview with us in Peking late last month with a seemingly wistful desire to visit Washington someday, he was only a few days away from a fateful move intimately connected to the bold Soviet push in Asia.

Vice Premier Teng on Dec. 5 called in Ambassador Leonard Woodcock, chief of the U.S. liaison office in Peking, to break the long impasse over full diplomatic relations between the U.S. and Communist China. In effect, the case strongman indicated his government would look the other way at U.S. arms sales to Taiwan.

To make such a tacit concession, Teng had to be concerned about the inexorable Soviet pressure on Iran, Pakistan, Indochina and the Western Pacific that is dramatically altering the world balance of power. His feeling that only a Sino-American alliance can effectively confront the polar bear led him to countenance what Peking had always deemed intolerable.

### Pressure

The official U.S. position is that President Carter's announcement last Friday night was not playing the China card against Moscow.

Nevertheless, administration insiders admit Soviet pressure from the Horn of Africa to the Western Pacific helped hasten agreement with Peking. Certainly, that is the view of national security adviser Zbigniew Brzezinski, whose visit to Peking last spring started negotiations leading to diplomatic ties.

And there is no doubt whatever of the anti-Soviet intent of the Chinese government. In our interview, Teng actually used the word "alliance" in describing a U.S.-Chinese combination against the Kremlin — a phrasing that surprised and fascinated U.S. officials. At the least, Teng wants a Sino-U.S. treaty

similar to the Sino-Japanese treaty that so infuriated Moscow.

This does not solve the problems posed by the Soviet offensive, aimed at the West's oil supply. But it temporarily provides a psychological boost for nations deeply concerned about Carter's irresolution in the face of Soviet aggressiveness.

### Lift

Among such nations, a spot check on Embassy Row here indicates the lift given by the U.S.-Chinese combination far surpasses concern that abrogation of the U.S.-Taiwan defense treaty indicates Washington as an unfaithful ally. One astute ambassador told us the Taiwan question is more a matter for U.S. domestic debate than world consideration.

But any implication that Carter was abandoning the Nationalist regime on Taiwan to the Communists would have prevented an agreement with Peking. Accordingly, it was significant that Teng told us Taiwan poses no huge problem and in fact is far less formidable than the barrier shattered when Richard Nixon opened the China dialogue in 1971.

Teng moved toward a solution when, during our interview, he threw out the tantalizing hint of a capitalistic Taiwan permitted even after political unification with the Communist mainland. More to the immediate point was Teng's agreement with Woodcock on Dec. 6: he would — though very reluctantly — cause no uproar over an extra year of the U.S.-Taiwan defense treaty and, particularly important, continued arms purchases.

### In Control

When we visited Taiwan shortly before going to the mainland, the realistic Nationalist goal appeared not so much to prevent the inevitable transfer of the U.S. embassy to Peking but to buy high-performance aircraft as a deterrent to the Communists. Although Carter has

construed of pure political muscle whose 1980 significance no one could miss.

If all this was not intended to carry a message to the enigmatic young governor in Sacramento, it nonetheless did have that effect. The message was: "If you think it's easy to challenge a sitting president, just ask Ronald Reagan. We'll be at least as tough as Gerald Ford was when it comes to hand-to-hand combat for the last few delegate votes."

The three Brown emissaries noted the message. They also noted that the liberal dissenters at the convention were outnumbered and ineptly led. But they also observed that there was one thing Carter's people could not control: the impact of Sen. Edward M. Kennedy (D-Mass.).

"He could give Carter a lot of trouble if he ran," said Tom Quinn, who managed Brown's first campaign for governor, and now serves both as his environmental administrator and national political scout. "As of today, he [Kennedy] could probably beat him."

Someone asked Quinn why he thought Kennedy so dangerous to Carter, if the liberal opposition seemed so weak and disorganized.

### Beyond the Liberals

"His appeal goes well beyond the liberals," Quinn said. "He gets to all the people Carter leaves unsatisfied. Carter is terribly weak that way. It's not just his policies. He has nothing going for him in personal terms. He offers no hope, no excitement, no inspiration. Kennedy does that — consistently — every time I've seen him."

"Jerry [Brown] can do it, too, at times," Quinn said. "He can turn them on when he's right. He did that against Carter in 1976. I don't know what he's going to do in 1980. I think there's only a slight possibility he'll run. But his chances of turning them on again might be better in 1980 than if he waits for 1984 or 1988. . . . I just don't know."

I don't know, either. But my guess is that Brown's agents have told him — or will, when he asks — that he has a better chance of beating Carter in 1980 than he does of beating Kennedy in any future year. Brown doesn't know when Kennedy will run. But he does know when Carter will be running. And therefore . . .

rejected such requests, influential figures in the administration will be pushing him to change his mind.

Nothing in the joint communiqué issued in Washington and Peking on Friday prevents the U.S. from selling a proposed new all-weather version of the F-5 to the Nationalist regime. Although invasion of Taiwan is surely at the bottom of Peking's priorities, U.S. help in establishing a deterrent would dull charges of betrayal.

Teng could not have agreed to look the other way regarding sales unless he and his Western-oriented faction were solidly in control. The U.S.-Chinese agreement is not an effort by Teng to consolidate his power but rather a validation of his supremacy in China today.

Anticipating what happened last Friday, officials on Taiwan told Washington's play of the China card would be quickly followed by Peking's play of the Soviet card. But the mood in China is thoroughly anti-Soviet and the need for economic, diplomatic and military ties with the West is dominant.

The new Washington-Peking relationship is no substitute for more resolute U.S. attitude toward the Kremlin, but it surely is a Communist trap. Teng's eagerness to combine with the Americans against the polar bear is genuine even to the point of putting Taiwan on the back burner.

The International Herald Tribune welcomes letters from readers. Short letters have a better chance of being published. All letters are subject to condensation for space reasons. Anonymous letters will not be considered for publication. Writers may request that their letters be signed only with initials but preference will be given to those fully signed and bearing the writer's complete address. The Herald Tribune cannot acknowledge letters sent to the editor.

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## Waverley Root

## Holiday Peals for the Orange

PARIS — The orange, for me, is indissolubly associated with Christmas. When I was a child there was always a splendid golden globe of this rare and delicious fruit in the stocking. It may be hard to believe for those of later generations, but until after World War I the orange was an unusual sight on most U.S. and European tables.

The history of the availability of the orange is part of the history of transportation, for the barrier to their wide dissemination was their penchant for spoiling in transit.

Today U.S. oranges are all but ubiquitous worldwide. The United States is the world's largest producer — Florida alone grows more than three times as many as the next largest growing countries (Spain, Italy and Mexico) combined. Unre-

them before 1541, the year in which the Incas, deeming that the gift of the orange was not sufficient to offset his other actions, took the liberty of assassinating him.

Meanwhile the oranges of Mexico had become so thoroughly acclimated that they went wild. In 1568 we hear of orange forests in the neighborhoods of Mexico City and

mism could be grown north of Florida. Promoters of colonization, comfortably installed in London, painted in glowing terms the fruitfulness of this promised land. In 1735, a book misleadingly called "A New and Accurate Account of the Provinces of South Carolina and Georgia" described those regions as places where "all things will undoubtedly thrive... that are to be found in the happiest places under the same latitude."

Carried away, the anonymous author decided that his forecast had already been fulfilled, and wrote elsewhere in the book that in this fecund territory oranges, lemons, apples, peaches and apricots were "so delicious that whoever tastes them will despise the insipid watery taste of those we have in England." He added they were so abundant they were fed to hogs.

The difficulty of transporting oranges was exemplified as early as 1687 when Governor Dongan of New York and Governor Denonville of Canada were at loggerheads over the question of which of them had jurisdiction over the Iroquois Indians. Dongan tried to mollify the French governor by sending him a present of oranges. "It was a great pity," commented Denonville, "that they should have been all rotten."

By the 1830s fast coastal steamers had opened a regular semimonthly service between Florida and New York, and were succeeding in getting unspoiled oranges to the northeast with fair regularity. But there were numerous accidents and spoilage was high.

Mediteranean Source  
Oranges from the Mediterranean often reached New York or Boston by better condition than oranges from Florida, despite the far greater distance. Spanish ships, after all, plied the chilly waters of the North Atlantic, while ships from Florida were accompanied all the way by the deleterious warmth of the Gulf Stream. The Atlantic coast was still getting the majority of its oranges from the Mediterranean as late as the 1880s.

Oranges could spoil on trains as well as on ships, which was one of the reasons the California orange industry was so slow to get started. The first oranges of the west were probably planted in Arizona, brought in from Mexico between 1707 and 1710, and in California when the San Diego mission was founded in 1769. They probably were sweet oranges — which had begun to make their appearance in Europe in the 16th and 17th centuries.

What really started the California orange industry was the arrival of the first navel oranges from Bahia, Brazil, where they first appeared (presumably as mutants) via the Washington D.C. nursery of the U.S. Department of Agriculture, which is why they are still called Washington Navel. Two trees were planted in California in 1873; all the navel oranges of California are supposed to have descended from them.

It was only in the last quarter of the 19th century that the orange began to get the kind of transportation it demanded. Specially-built steamers delivered oranges intact from Florida; more railroads, faster trains, and finally refrigerator cars made California oranges accessible to the whole United States.

Despite a U.S. history of the orange that goes back more than four centuries, it is only in the past 50 years that the fruit has become one of the country's commonest and most appreciated.

©Waverley Root



Orange crate label from the 1930s.

Vera Cruz. Oranges were growing in Brazil by 1587, where they must have been planted by the Portuguese.

The first known plantings of oranges on territory now within the United States were made in Florida by Hernando de Soto in 1539. There is no record of when oranges were first planted in St. Augustine, the oldest U.S. city, but it could not have been long after its founding in 1565; they were growing there abundantly in 1586 when Sir Francis Drake sacked the city and maliciously ordered its orange trees cut down. Orange trees are hard to destroy: The severed trunks sprouted new shoots, and 10 years later St. Augustinians were eating home-grown oranges again.

Success With Indians  
The orange was an instant success with American Indians. Some of the trees growing wild in the interior of Florida today, where no Europeans planted them, are believed to represent seeds the natives carried there. In 1791 the naturalist William Bartram, writing of the Seminoles, told of being served red snapper steamed with fresh oranges — and dessert was sliced oranges that had been marinated in honey for several days.

White men did not always show so happy a hand with the orange. It was one of the plants that the first colonists assumed with easy opti-

mism. It was Pizarro who is supposed to have introduced oranges to Peru, and therefore must have had

## Inventions

## Jogging Device Can't Get Off to a Running Start

By Richard Severo

HYDE PARK, N.Y. (NYT) — Burt Shulman gently touched the throttle of the little machine strapped to his back. Suddenly he didn't Burt Shulman at all, but a furry about-to-become-leopard, a mechanical engineer who was the match of Captain Marvel, maybe even Wonder Woman.

He was running, bounding at 15 miles an hour, on the road in front of his house and it looked so easy. It didn't seem he was going fast until a visitor tried to race him. The machine allowed Shulman to zoom off as if the visitor were standing still.

With the engine off, sitting in his room overlooking the Hudson River, the 26-year-old Shulman said of the many things he had invented: the gadget that blows dirt away from the noses of people who use soldering guns; the pop-dock radio that senses when going to snow or rain and wakes the sleeper earlier than usual; a machine designed to help executives by continuously turning their feet up and down; a one that permits motorists to take fresh air when they are stuck in traffic jams. Even ultrasonic tweezers for the permanent removal of ingrown hairs.

But it is the jogging machine that Shulman in these parts seems to be about because it can put the minute mile within the grasp of flabby dreamers.

It took a one-horsepower, two-cylinder engine, mounted it on an aluminum backpack, the sort worn by hikers, and added a lever that takes the engine's rotary action and produces a pushing action with pads that move the thighs. When thigh muscles move that fast, it is relatively easy for calf muscles to keep



Burt Shulman

"Companies talk of the 'NIH' factor when they receive ideas from the outside. NIH stands for Not Invented Here, and they would rather their own engineers create new ideas — not outsiders."

Shulman says manufacturers would rather go the less expensive route — paying staff salaries for research and development instead of buying ideas from freelancers that can cost millions of dollars.

Shulman, who earns his living by designing the housing for computer models at International Business Machines in Princeton, N.J., looks the formidable pile of rejection letters he has received from companies that make cars, toys, athletic equipment and other products.

Getting one's idea marketed is not impossible," says Shulman.

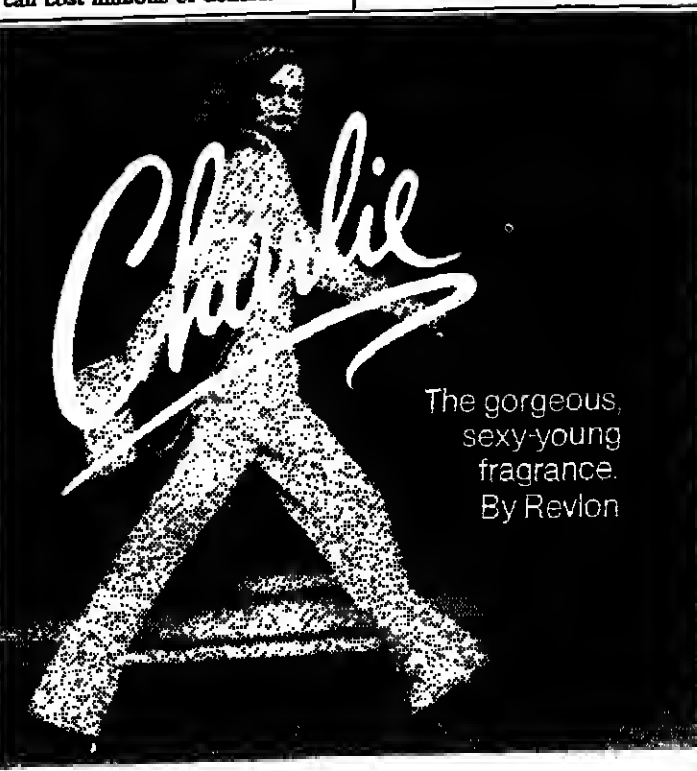
There seems no immediate prospect that Shulman's jogging device — or any of his other inventions — will be mass-produced. Shulman, who even distant future.

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Getting one's idea marketed is not impossible," says Shulman.

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## Aging

## Symphony Conductors: Do They Live Longer?

By Harold M. Schmeck

NEW YORK (NYT) — Music may have charms little considered even by the poets who write so much about it or the musicians who create it. Under the right circumstances, a life devoted to music may be a prescription for longevity.

This is the conclusion of an associate professor of medicine at the University of California at San Diego who is also a lifelong symphony devotee and amateur musician. Struck by the fact that Leopold Stokowski died in his 96th year, Dr. Donald Atlas did a little epidemiological research on the longevity of symphony conductors.

Atlas noted that Arturo Toscanini lived an active life to the age of 90; Bruno Walter to 85; Ernest Ansermet to 86 and Walter Damrosch to 88. Arthur Fiedler, though recently hospitalized, is a lively 84.

But is this evident longevity of gifted musicians a myth based on a few famous examples, or is it real?

"The death of Stokowski prompted me to examine statistically the life span of members of this distinguished profession," Atlas said.

From source books and his own experience, Atlas compiled a list of 35 deceased major symphony leaders and found their mean length of life to be 73.4 years. The life expectancy of American men in general is 68.5 years, he said, and the difference is statistically significant.

"I am aware that a compari-

son of the current survival expectancy of American men to that of European-born conductors from the last century may be open to question," Atlas said.

"Nevertheless, since I have not been able to find a single death in this group at an age younger than 58, I firmly believe that these men were protected by some undetermined factors from the modern scourge of early fatal ischemic vascular disease — disease of the heart and circulatory system.

The doctor said that he would explain these long, productive lives in music by several factors: superior intelligence, unusual talent — perhaps genius — driving motivation, and, most important, a sense of fulfillment that comes with world recognition.

In 1973, the Department of Health, Education and Welfare published a special task-force report, "Work in America." Among its conclusions were the propositions that the strongest predictor of longevity was work satisfaction and that the second best predictor was overall happiness.

Atlas said his observation was consonant with those conclusions.

"Man's reluctance to accept his ephemeral existence has become a universal preoccupation," said the professor of medicine. "I hope that the apparently fulfilling life pattern of conductors will show us how to add life to years as well as years to life."

## Monuments

## The Sphinx: Ready for Facelift?

By Hilmi Toros

CAIRO (AP) — The lion's body of the Sphinx is firm, but the human face of the majestic monument is showing the effects of 5,000 years of howling sandstorms, scorching desert days and chilling nights.

Its seven-foot nose has been gone for centuries. The left eye is sagging, and the entire left side of the 13-foot face is distorted.

"The Sphinx is sick," observes the daily newspaper Al Akhbar. "It's suffering from acute anemia. Unless the right medication and treatment is applied, the neck could give in."

But just how to treat the time-honored patient sharply divides art and restoration experts so proud of the aged wonder just outside Cairo, near the Pyramids at Giza.

"Injection"

It's been five years since the Sphinx received a facelift — an "injection" of barium pigments to strengthen the area from the neck up.

"It badly needs another shot," says Zahi Hawass, inspector of the pyramids section of Egypt's antiquities department. "The outer layer is peeling off all over."

But another expert, Ahmed Saleh, the department's director of research and restoration, advocates building a "windshield" around the 65-foot-high unprotected monument.

"It needs trees around it to protect against sandstorms," he told Al Akhbar. "Those sand particles become a cyclone — they hit the Sphinx on the face, drop to the feet, and the wind lifts them up again in a continuous cyclical motion."

Although the Sphinx looks as solid as a five-millennium-old sculptural marvel can, Al Akhbar has kicked off a public campaign for urgent measures to protect one of Egypt's prime attractions. "Speak up to authorities for restoration," appealed the paper.

The latest difficulties are only an episode in the turbulent history of the monument.

Father of Terror

King Khephren, the builder of the Giza Pyramid, had the Sphinx carved out of a limestone block that measured 239 feet long; the lion's body represented the power of the king and face bore his features. Because it faced the rising sun, it was considered a sun god and later acquired the name Abou El-hol, the father of terror.

Over the centuries, the Sphinx

often had trouble keeping its head above the shifting sands. It was last cleared from the dunes only 40 years ago.

Its nose was damaged centuries ago. One legend says Napoleon had the proboscis lopped off to display French supremacy after he landed in Egypt in 1798. Another tale attributes the missing nose to the folly of a deranged Egyptian. "Let's just say the nose is not there," says historian Zaki Saad.

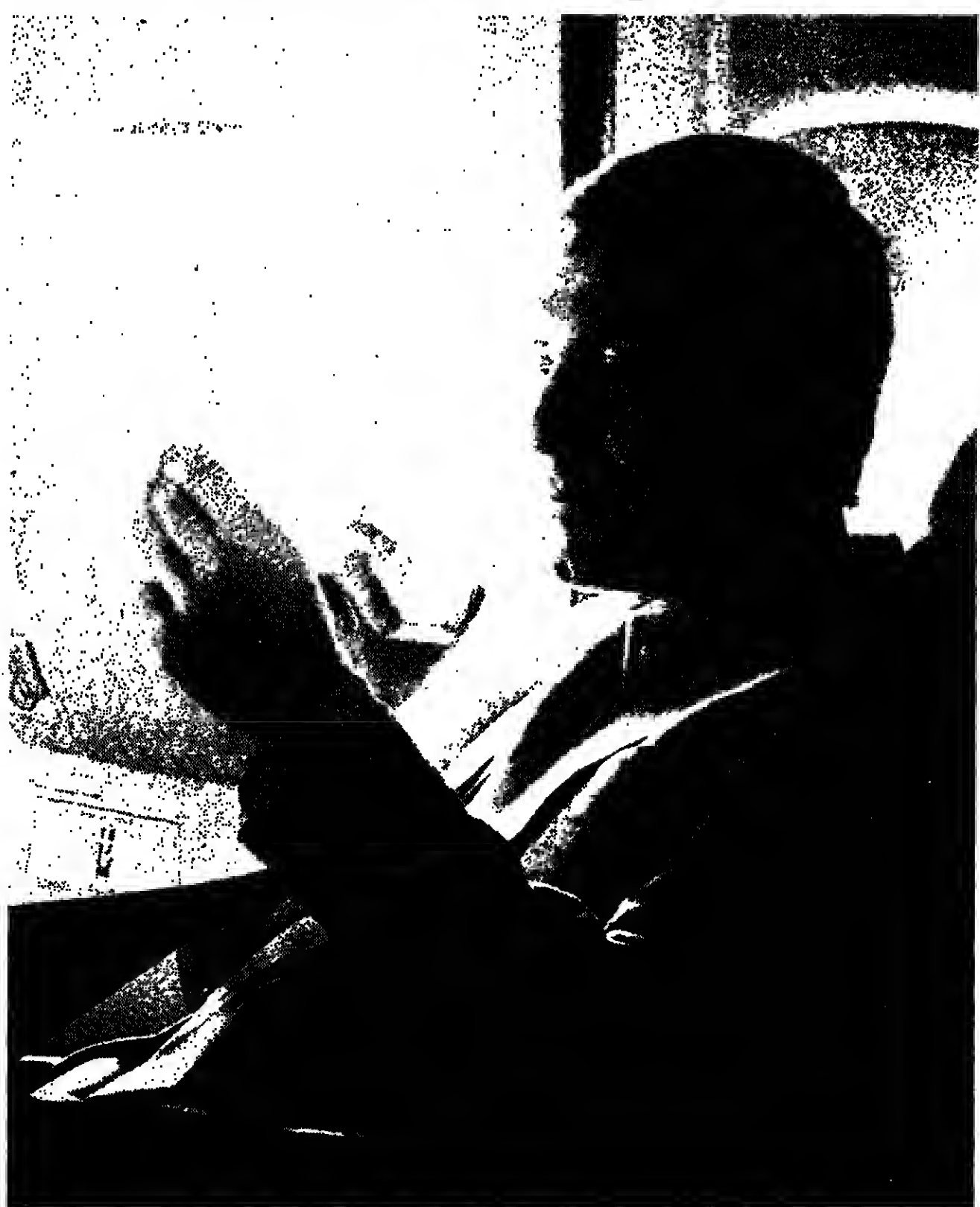
While the art experts fret over the Sphinx, local devotees doubt it is in imminent danger.

"Don't worry," said Kamel Ibrahim, 78, a Sphinx-watcher and guide since childhood, as he helped another tourist onto a camel for the classic photograph of a Cairo trip.

"The thing is OK. Nothing will happen to it."

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Continued on Page 10



**Bilateral Tariff Cuts****U.S., Japan in Accord on MTNs**

Bhushan Bahree  
GENEVA, Dec. 18 (AP-DJ) — The United States and Japan late today jointly announced that they had reached a comprehensive understanding on all principal issues under negotiation in the Multilateral Trade Negotiations in Geneva. The agreement, the first between two major countries in the talks,

"represents a major move towards completing the close-out phase of the Tokyo Round," Alonzo McDonald, who heads the U.S. negotiators in Geneva, said. The joint statement said that both countries had negotiated an "understanding with respect to specific tariff cuts on all industrial products of particular bilateral interest to each other."

It said that the two countries also had reached "basic understanding" on all substantial issues covered by the draft codes, or a series of rules that will govern world trade in the 1980s. These rules are being negotiated with other trading nations and the European Economic Community. The EEC council of ministers is to consider a report by their negotiators at a meeting in Brussels tomorrow. The success of the trade talks depends on the EEC agreeing in an overall package of tariff cuts and new trade rules.

**Early '79 Conclusion**

The joint statement by the United States and Japan said that their understanding on all trade issues would form a part of the final trade package "expected to be formally concluded in early 1979." And the statement added that both countries "considered that their representatives have appropriate instructions to terminate successfully the final drafting process."

In a congratulatory concluding line, a statement noted that Japan and the United States had fulfilled the commitment made at the Bonn summit last July that the trade talks be completed by mid-December.

The comment also was a pointer to the EEC, which has been dragging its feet, mainly under the weight of French objections, in concluding the trade talks. The French have said that they will not sign any trade accords unless the United States definitely lifts the threat of countervailing duties on subsidized exports from the community. On Jan. 3, Congressional authority allowing the U.S. Treasury to waive countervailing duties on subsidized imports expires, obliging it to levy such charges.

**Japanese Surplus Widens On Transactions, Trade**

TOKYO, Dec. 18 — For November, Japan's current account surplus remained well below the year's monthly average of approximately \$1 billion although it was nearly double the previous month's, government figures showed today. The Finance Ministry said in its preliminary data that November's current-account surplus totaled

\$650 million before seasonal adjustments. The figure compared with October's surplus of \$364 million.

The ministry said exports last month increased 19 percent from a year ago to \$8.15 billion. Imports, however, picked up by an annual pace of 27 percent to \$6.72 billion, leaving the trade surplus of \$1.43 billion, up from October's \$1.04 billion but much smaller than the average of about \$2 billion a month early this year.

**France Narrows Trade Surplus To \$74 Million**

PARIS, Dec. 18 (AP-DJ) — France had a seasonally adjusted trade surplus of 324 million francs (\$74.6 million) in November, down from a surplus of 721 million francs in October, the External Trade Ministry reported today.

On an unadjusted basis, the trade account revealed a marked deterioration, with a deficit of 3 million francs in November compared with a surplus of 1.164 billion francs a month before.

Seasonally adjusted imports amounted to 31.5 billion francs, up from 30.8 billion francs in October and 29.65 in November 1977. Exports stood at 31.8 billion francs, up from 31.5 billion in October and 29.1 billion in November last year.

**Real 4% Growth Posted in Year By W. Germany**

FRANKFURT, Dec. 18 (AP-DJ) — The West German economy continued its upswing in the third quarter posting a real growth of 4 percent from the year-earlier quarter, Deutsche Bundesbank said today in its monthly report for December.

On a quarter-to-quarter basis, real growth was 1.5 percent in the third quarter from the second, about the same as the rise in the second quarter from the first.

The bank said that the upswing was primarily fueled, as in the summer, by strong domestic demand, particularly in the construction sector.

Other factors contributing to the

**OPEC Rise Brings Drop In Value of U.S. Dollar**

(Continued from Page 1)  
weakened to 84.39 U.S. cents from 84.64 cents Friday.

Meanwhile, in Brussels, Guido Brunner, EEC commissioner in charge of energy, said today that the oil price increase will cost the European community about \$5 billion a year.

"This is not good news," Mr. Brunner said. "It is unacceptable owing to the general oil market situation. Economic recovery will be slowed down again."

Mr. Brunner said it would have been reasonable for oil-exporting countries in wait to know the re-

**Scarcity of Cobalt Raises Prices to Record Levels**

By Agis Salpukas

NEW YORK, Dec. 18 (NYT) — The scarcity of cobalt is continuing to raise prices to record levels and has brought a new regard for the metal as a precious resource, setting off more conservation, recycling and a search for substitutes among users.

With the producer price since last May having jumped from \$8.50 a pound to \$20 and the metal selling from \$40 to \$45 on the free market, consumers are tightening up the ways they use the metal.

Producers of nickel, of which cobalt is a byproduct, have also stepped up production. Inco Ltd., the largest nickel producer in the world, has added new equipment that will increase the yield of cobalt and double last year's production of 1.7 million pounds. Anax Inc. will double its output of cobalt this year, not through any special steps, but by bringing its new Fort Nickel refinery in Louisiana up to full capacity.

**Zaire Supplies**

All of these steps, however, have as yet had little effect on the dependence of industries in the United States and throughout the world on supplies from Zaire, which produces about 60 percent of the world's cobalt as a byproduct of refining copper.

Many of the fears of last spring that the production of cobalt would be severely disrupted by the political upheaval in Shaba Province and the exodus of white technicians have largely abated.

About 11,000 tons of cobalt are expected to be produced this year, about the same level as Zaire produced last year. So far, however, the metal has remained in tight supply, mainly from a surge in demand from the aircraft industry and from stockpiling by consumers.

Also, the African Metals Corporation of New York, the marketing arm for Sozacom, which is the marketing organization in Zaire, last May put a limit on U.S. customers of 70 percent of the amount they purchased last year.

Consumption of cobalt has been running 26 percent ahead of last year, with 13.67 million pounds being used through September of this year in the United States compared with 10.78 million in the similar period the year before.

The biggest jump has been in the superalloy market, in which 3.2 million pounds were used in the first nine months, compared with 2.3 million in the similar period the year before.

**FINANCIAL NEWS AND NOTES****Tenneco Rebuffed on Algerian Gas**

The Energy Department has denied a request by Tenneco to import Algerian liquefied natural gas from a terminal in Canada in the Eastern United States. The multibillion-dollar proposed project was disapproved, the department says, because the Carter administration believes that domestic supplies of natural gas augmented by supplies in Canada and Mexico should be sufficient without the need to import costly liquefied gas from Algeria and other distant countries.

**Commonwealth Oil Solvency Seen**

Earnings of \$20 million in the fiscal 1979 year by Commonwealth Oil Refining are possible and annual earnings of \$50 million are a "realistic target" for subsequent years, Howard Hardesty, chairman of the Commonwealth Reorganization, says. Commonwealth filed a voluntary petition under Chapter XI of the Bankruptcy Act in San Antonio, Tex., on March 2, 1978 and has since operated its oil refinery and petrochemical complex in Puerto Rico as debtor in possession. Commonwealth Reorganization was commissioned by Corco, its creditors and the bank-

ruptcy court on July 20 to decide whether the business could be economically viable.

**Southwest Airlines Suing Lockheed**

PSA Inc. parent of Pacific Southwest Airlines, is suing Lockheed Corp. for \$99 million for alleged violations of federal antitrust laws. The suit accuses Lockheed of preventing the airline from selling two L-1011 Tri-Star jets that were delivered in 1974. PSA asserts that Lockheed blocked its attempt to sell the planes to at least five other airlines. In Burbank, Calif., Lockheed had no immediate comment on the suit.

**Mannesmann Units Gets Soviet Order**

Mannesmann AG says its units Mannesmann Handel and Thyssen-Stahl-Union have received an order for 700,000 tons of large pipe from the Soviet Union. Mannesmann declines to give the value of the order but observers say the value may reach 1 billion Deutsche marks. The deliveries should start at the beginning of 1979 and will be stretched over the entire year, Mannesmann says.



W. German Finance Minister Hans Matthöfer talks with René Monory, French Budget Minister, prior to meeting in Brussels.

**EMS Currency Rates To Be Fixed Dec. 29**

BRUSSELS, Dec. 18 (AP-DJ) — West German finance minister Hans Matthöfer said today exchange rates of currencies joining the European Monetary System (EMS) at the start of next year would be set on Dec. 29.

At a press conference, following a meeting of EEC finance ministers which he chaired, he said the ministers had passed all directives necessary to place the new EMS into the framework of community regulations so that it can be made operational starting in 1979.

The ministers also agreed on the price at which gold transferred from national reserves to the Euro-

pean Monetary Cooperation Fund (Fecom) should be valued, he said. He did not say what that price would be. British Chancellor of the Exchequer Denis Healey later said that the ministers had broadly agreed to value Fecom gold at 75 percent of the market price.

Mr. Matthöfer did not say whether exchange rates of EMS members, especially those that are floating like the French franc, Italian lira and Irish pound would be set at a ministerial meeting with central bank governors.

He and other officials declined to say exactly how entry rates of member currencies would be defined. But it was broadly hinted that so far as the five members of the joint float, or snake, were concerned, their current exchange rates will not be changed.

Officials privately insisted that for the lira, French franc and Irish pound, their market rates on Dec. 29 are likely to be chosen as the actual entry rates into the EMS.

**From ECU to ECU in EMS**

Among the subjects decided by the ministers today was official legalization of the switch from the current European Unit of Account (EUA) to the new ECU, the European Currency Unit that is to be in the center of the EMS.

The ministers also approved proposals by the EEC Commission to place the EMS as such into the framework of EEC regulations.

Also the increase of the medium-term monetary assistance to 11 billion ECU from the current 5.4 billion ECU was agreed upon in principle with some minor technical problems to be settled so that another ministerial meeting on Dec. 21 can give this matter formal approval.

Under the regulation legalizing the EMS within the community, the ministers approved rules under which central banks will allocate 20 percent of official monetary reserves to Fecom — in dollars and gold.

France, backed by Denmark, had pushed for gold to be valued at 80 percent of the market price and the matter would be discussed by central bank governors. Mr. Healey remarked. He also confirmed that the snake would enter EMS at its current parity grid and he predicted no great changes in the exchange rates of the lira, French franc and Irish pound when they join the EMS.

**U.K. Delays Irish Controls**

LONDON, Dec. 18 (AP-DJ) — Britain has decided to delay imposing exchange controls on transactions with Ireland for the time being. The Treasury announced late today. However, it said, controls could be imposed at short notice if required. In such a case, it would not be safe for British holders of Irish securities to conclude that they would attract the investment dollar premium when sold, a statement said.

The Irish government has announced that it hopes to maintain the Irish pound's one-for-one relationship with sterling even after the start up of the EMS.

**Wall St. Prices Drop Sharply**

NEW YORK, Dec. 18 (Reuters) — Prices on the New York Stock Exchange dropped sharply in moderately active trading after a larger than expected oil price increase by the Organization of Petroleum Exporting Countries.

Analysts said the 14.5-percent rise will force the market to review all its economic assumptions for 1979, which had been based on expectations of a boost of 5 to 10 percent.

Federal Reserve chairman William Miller said at a press conference that the OPEC move makes it additionally important to keep monetary and fiscal policy on a tight rein to offset the impact of the increase on the economy. He forecast growth of 4 percent or a little better for the fourth quarter.

The Dow Jones industrial average fell 17.84 points to 787.51 and declines led advances 1,570 to 122. Volume rose to 32.9 million shares from Friday's 23.62 million.

The market's retreat was very broad, with only a few groups showing gains, notably gold shares and some petroleum companies not affected by OPEC pricing. Airlines and aircraft manufacturers were hard hit, as were computer and drug issues and glamourous and blue chips.

William Seawell, chairman of Pan American World Airways, which has proposed a merger with National Airlines, said he is confident a counteroffer by Eastern will be rejected by the government. Eastern president Frank Borman said his firm's proposed merger might not have been possible for antitrust reasons at an earlier time, but with increased deregulation he believes there will be enough competition to allow for an Eastern-National combination.

Reliance Electric agreed to buy UV Industries' Federal Pacific Electric Co. unit for \$345 million in cash. Reliance rose 3/4 to 34 1/2, UV, which did not trade, closed Friday at 19 1/2.

Diamond Shamrock and Falcon Seaboard said they will recommend to their respective boards of directors a revision of the terms of the proposed acquisition of Falcon by Diamond. Under the proposed revision, each Falcon shareholder would receive 1.65 shares of Diamond common stock for each Falcon share.

Simpsons Ltd. has withdrawn its offer to merge with Simpsons-Sears Ltd. and has recommended Simpson's shareholders accept a competing takeover offer from Hudson's Bay Co.

Braniff International said it bought three new Boeing 747 aircraft for \$155.1 million for use on overseas and international routes. The order brings Braniff's 747 purchases to eight. Boeing said it was awarding a contract for the engine thrust management system for its 757 and 767 jets to General Electric's aircraft equipment division.

**Certificate Use Up**

WASHINGTON, Dec. 18 (Reuters) — The Federal Home Loan Bank Board said today six-month money market certificate volume rose a record \$3.7 billion to \$16.3 billion in November at 247 large savings and loan associations it surveys. This compared with a \$3.5-billion rise in October. It said the rise shows larger S and L's continued in aggressively use the certificates to avoid disintermediation.

**Company Reports**

Revenue, Profits in Millions			
Japan			
Year	1978	1977	
Revenue	\$34,920	\$30,620	
Profits	25,650	34,640	
Per Share	119	161	
(Figures in yen)			
U.S.			
Central Soya			
4th Qtr	1978	1977	
Revenue	\$39,70	\$43,70	
Profits	11.00	10.30	
Per share	0.71	0.67	
Continental Illinois			
4th Qtr	1978	1977	
Revenue	0.67	0.45	
Profits	0.14	0.10	
Per Share	0.71	0.67	
Dresser Industries			
4th Qtr	1978	1977	
Revenue	\$74.40	\$72.50	
Profits	66.20	61.60	
Per Share	1.70	1.58	
Year			
Revenue	3,054	2,538	
Profits	203.90	185.10	
Per Share	5.22	4.75	
(Figures in U.S. dollars)			

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**Dow Off 17.54 After OPEC Rise**

Pitney-Bowes Inc. said it and Dictaphone are holding merger discussions and, pending an announcement, are requesting the Big Board to halt trading in their shares. Dictaphone said Pitney's proposed merger would be in two stages, involving a cash tender offer at \$28 a share and an exchange of stock for a new Pitney-Bowes issue valued at \$28 a share. Simplicity Pattern said it agreed to acquire the James E. Crass group of Coca-Cola bottling companies for just over

\$100 million. Pitney lost 1/4 to 2 1/4. Dictaphone, which did not trade, closed Friday at 20 1/4.

Rockwell International said it sold its Admiral de Mexico subsidiary to a Mexican corporation. The Mexico unit manufactures color and black-and-white televisions and stereo systems for distribution in Mexico.

Prices on the American Stock Exchange also dropped, with the market-value index off 3.62 points to 145.68.

In Chicago, wheat and soybeans were substantially higher and corn and units irregularly higher at the close on the Board of Trade.

**FASB 8 Misleads Holders, Firms Report in Survey**

NEW YORK, Dec. 18 (AP-DJ) — Many companies have significantly altered their foreign exchange management practices because of a highly controversial accounting rule change in 1976. But it still is not clear whether the changes have helped or hurt their cash flows.

These are among the findings of a study sponsored by the Financial Accounting Standards Board. The study focused on the economic impact of the FASB's statement No. 8, which among other things required that all foreign currency translation gains and losses be recognized in current income.

**Incomes in U.S. Increase by 1%; Housing Steady**

WASHINGTON, Dec. 18 (AP-DJ) — U.S. personal income in November increased 1 percent to a seasonally adjusted annual rate of \$17.8 trillion following a 1.3-percent rise in October, the Commerce Department said today.

Income increased \$17.3 billion in November following an adjusted \$22.5-billion rise in October and a \$13.6-billion increase in September. Dividend income gained 1 percent in November to \$51.6 billion following a 0.8-percent rise in October to \$51.1 billion.

Separately, the department said housing starts ran at a seasonally adjusted annual rate of 2.1 million in November, unchanged from October. However, housing permits issued, traditionally a pointer to future trends, declined to an annual rate of 1.69 million from 1.72 million in October and were off from 1.82 million a year ago.

The study said nearly 84 percent of the companies responding believe that FASB 8 "misleads management stockholders and security analysts." It also concluded that over 60 percent agreed that they need a more flexible translation method than FASB 8.

The study also showed that FASB 8 "has had an impact on investment policies." Some companies reported that they have "retrained from making investments that were otherwise acceptable," the study said.

Furthermore, the FASB's requirement that companies report foreign currency gains and losses on a quarterly basis "has led a number of firms to accelerate their dividend payments from subsidiaries in weak currency countries to reduce exposure," the report concluded.

A total of 156 U.S. multinational companies responded in the 12-month study, including 132 from Fortune's 500. Their responses were compared with those of a group of 107 companies that were studied before FASB 8 went into effect.

**Pick up security. Pick up some gold.**

Gold is a vital part of any investment portfolio providing a long-term hedge against capital erosion. What, then, has been preventing you from investing in gold? The formalities of buying and selling it? The difficulties of handling it? If so, take a look at the Krugerrand.

The Krugerrand is a gold coin containing exactly 1 troy ounce of fine gold. As it is legal tender you can buy it at practically any bank. Without fuss. Without formalities. Just put your cash on the desk and carry off your Krugerrands. Now, the other side of the coin: economy. The Krugerrand doesn't carry a collector's surcharge. And its gold premium is the lowest of all gold coins — only 7%. So the Krugerrand is the best buy when you consider gold.

And the most flexible gold when you re-sell it. Because again there's no red tape. And its coin form enables you to sell it exactly the way you would like to: ounce by ounce.

So whichever way you look at it, it's not only an ounce of pure gold. But also a pound of pure common sense.

**Krugerrand**  
The cash-and-carry gold.

Traded by banks in Germany, United Kingdom, Switzerland, Netherlands, Belgium, Luxembourg, Austria, Denmark, and Norway.

This announcement appears as a matter of record only.

**ennia** nv

THE HAGUE, THE NETHERLANDS

**Dfls 100,000,000**

**8 1/4% Bearer Bonds 1978 due 1979/1988**

Amsterdam-Rotterdam Bank N.V.

Algemene Bank Nederland N.V.

Nederlandsche Middenstandsbank N.V.

Pierson, Holding & Pierson N.V.

Bank Mees & Hope NV

Nederlandse Credietbank N.V.

N.V. Slavenburg's Bank

Van der Hoop, Offers & Zoon N.V.

Deutsche Bank Aktiengesellschaft

Swiss Bank Corporation (Overseas) Limited



WEDNESDAY, DECEMBER 19, 1978																			
12 Month Stock High, Low, 5 Yld. P/E 100% High Low Quot. Close																			
12 Month Stock High, Low, 5 Yld. P/E 100% High Low Quot. Close																			
2494 1974 MacPac 1.92	9.7	7	201	28%	29%	29%	29%	29%	29%	18%	14%	Chico 1.40	9.5	8	222	17	14%	14%	14%
2495 1974 MacPac 1.92	9.7	7	201	28%	29%	29%	29%	29%	29%	18%	14%	Chico 1.40	9.5	8	222	17	14%	14%	14%
2496 1974 MacPac 1.92	9.7	7	201	28%	29%	29%	29%	29%	29%	18%	14%	Chico 1.40	9.5	8	222	17	14%	14%	14%
2497 1974 MacPac 1.92	9.7	7	201	28%	29%	29%	29%	29%	29%	18%	14%	Chico 1.40	9.5	8	222	17	14%	14%	14%
2498 1974 MacPac 1.92	9.7	7	201	28%	29%	29%	29%	29%	29%	18%	14%	Chico 1.40	9.5	8	222	17	14%	14%	14%
2499 1974 MacPac 1.92	9.7	7	201	28%	29%	29%	29%	29%	29%	18%	14%	Chico 1.40	9.5	8	222	17	14%	14%	14%
2500 1974 MacPac 1.92	9.7	7	201	28%	29%	29%	29%	29%	29%	18%	14%	Chico 1.40	9.5	8	222	17	14%	14%	14%
2501 1974 MacPac 1.92	9.7	7	201	28%	29%	29%	29%	29%	29%	18%	14%	Chico 1.40	9.5	8	222	17	14%	14%	14%
2502 1974 MacPac 1.92	9.7	7	201	28%	29%	29%	29%	29%	29%	18%	14%	Chico 1.40	9.5	8	222	17	14%	14%	14%
2503 1974 MacPac 1.92	9.7	7	201	28%	29%	29%	29%	29%	29%	18%	14%	Chico 1.40	9.5	8	222	17	14%	14%	14%
2504 1974 MacPac 1.92	9.7	7	201	28%	29%	29%	29%	29%	29%	18%	14%	Chico 1.40	9.5	8	222	17	14%	14%	14%
2505 1974 MacPac 1.92	9.7	7	201	28%	29%	29%	29%	29%	29%	18%	14%	Chico 1.40	9.5	8	222	17	14%	14%	14%
2506 1974 MacPac 1.92	9.7	7	201	28%	29%	29%	29%	29%	29%	18%	14%	Chico 1.40	9.5	8	222	17	14%	14%	14%
2507 1974 MacPac 1.92	9.7	7	201	28%	29%	29%	29%	29%	29%	18%	14%	Chico 1.40	9.5	8	222	17	14%	14%	14%
2508 1974 MacPac 1.92	9.7	7	201	28%	29%	29%	29%	29%	29%	18%	14%	Chico 1.40	9.5	8	222	17	14%	14%	14%
2509 1974 MacPac 1.92	9.7	7	201	28%	29%	29%	29%	29%	29%	18%	14%	Chico 1.40	9.5	8	222	17	14%	14%	14%
2510 1974 MacPac 1.92	9.7	7	201	28%	29%	29%	29%	29%	29%	18%	14%	Chico 1.40	9.5	8	222	17	14%	14%	14%
2511 1974 MacPac 1.92	9.7	7	201	28%	29%	29%	29%	29%	29%	18%	14%	Chico 1.40	9.5	8	222	17	14%	14%	14%
2512 1974 MacPac 1.92	9.7	7	201	28%	29%	29%	29%	29%	29%	18%	14%	Chico 1.40	9.5	8	222	17	14%	14%	14%
2513 1974 MacPac 1.92	9.7	7	201	28%	29%	29%	29%	29%	29%	18%	14%	Chico 1.40	9.5	8	222	17	14%	14%	14%
2514 1974 MacPac 1.92	9.7	7	201	28%	29%	29%	29%	29%	29%	18%									

20V

December, 1978



## NYSE Closing Prices December 18

12 Month	Stock	High	Low	Div. in \$	Yld. %	P/E	100s	Close	Prev	12 Month	Stock	High	Low	Div. in \$	Yld. %	P/E	100s	Close	Prev								
High	Low	Div. in \$	Yld. %	P/E	100s	Close	Prev	12 Month	Stock	High	Low	Div. in \$	Yld. %	P/E	100s	Close	Prev	12 Month	Stock	High	Low	Div. in \$	Yld. %	P/E	100s	Close	Prev
12/18	10/18	10/18	10/18	10/18	10/18	10/18	10/18	10/18	10/18	12/18	10/18	10/18	10/18	10/18	10/18	10/18	10/18	10/18	10/18	12/18	10/18	10/18	10/18	10/18	10/18	10/18	10/18
12/18	10/18	10/18	10/18	10/18	10/18	10/18	10/18	10/18	10/18	12/18	10/18	10/18	10/18	10/18	10/18	10/18	10/18	10/18	10/18	12/18	10/18	10/18	10/18	10/18	10/18	10/18	10/18

## Toronto Stocks

Closing Prices December 18, 1978

12 Month	Stock	High	Low	Div. in \$	Yld. %	P/E	100s	Close	Prev	12 Month	Stock	High	Low	Div. in \$	Yld. %	P/E	100s	Close	Prev								
High	Low	Div. in \$	Yld. %	P/E	100s	Close	Prev	12 Month	Stock	High	Low	Div. in \$	Yld. %	P/E	100s	Close	Prev	12 Month	Stock	High	Low	Div. in \$	Yld. %	P/E	100s	Close	Prev
12/18	10/18	10/18	10/18	10/18	10/18	10/18	10/18	10/18	10/18	12/18	10/18	10/18	10/18	10/18	10/18	10/18	10/18	10/18	10/18	12/18	10/18	10/18	10/18	10/18	10/18	10/18	10/18
12/18	10/18	10/18	10/18	10/18	10/18	10/18	10/18	10/18	10/18	12/18	10/18	10/18	10/18	10/18	10/18	10/18	10/18	10/18	10/18	12/18	10/18	10/18	10/18	10/18	10/18	10/18	10/18

## International

Stock Indexes

12 Month	Stock	High	Low	Div. in \$	Yld. %	P/E	100s	Close	Prev	12 Month	Stock	High	Low	Div. in \$	Yld. %	P/E	100s	Close	Prev								
High	Low	Div. in \$	Yld. %	P/E	100s	Close	Prev	12 Month	Stock	High	Low	Div. in \$	Yld. %	P/E	100s	Close	Prev	12 Month	Stock	High	Low	Div. in \$	Yld. %	P/E	100s	Close	Prev
12/18	10/18	10/18	10/18	10/18	10/18	10/18	10/18	10/18	10/18	12/18	10/18	10/18	10/18	10/18	10/18	10/18	10/18	10/18	10/18	12/18	10/18	10/18	10/18	10/18	10/18	10/18	10/18
12/18	10/18	10/18	10/18	10/18	10/18	10/18	10/18	10/18	10/18	12/18	10/18	10/18	10/18	10/18	10/18	10/18	10/18	10/18	10/18	12/18	10/18	10/18	10/18	10/18	10/18	10/18	10/18

## Eurocurrency Interest Rates

Dollar		D-Mark		Swiss Franc		Sterling		French Franc	
12/18	10/18	10/18	10/18	10/18	10/18	10/18	10/18	10/18	10/18
12/18	10/18	10/18	10/18	10/18	10/18	10/18	10/18	10/18	10/18
12/18	10/18	10/18	10/18	10/18	10/18	10/18	10/18	10/18	10/18
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12/18									

## Selected Over-the-Counter

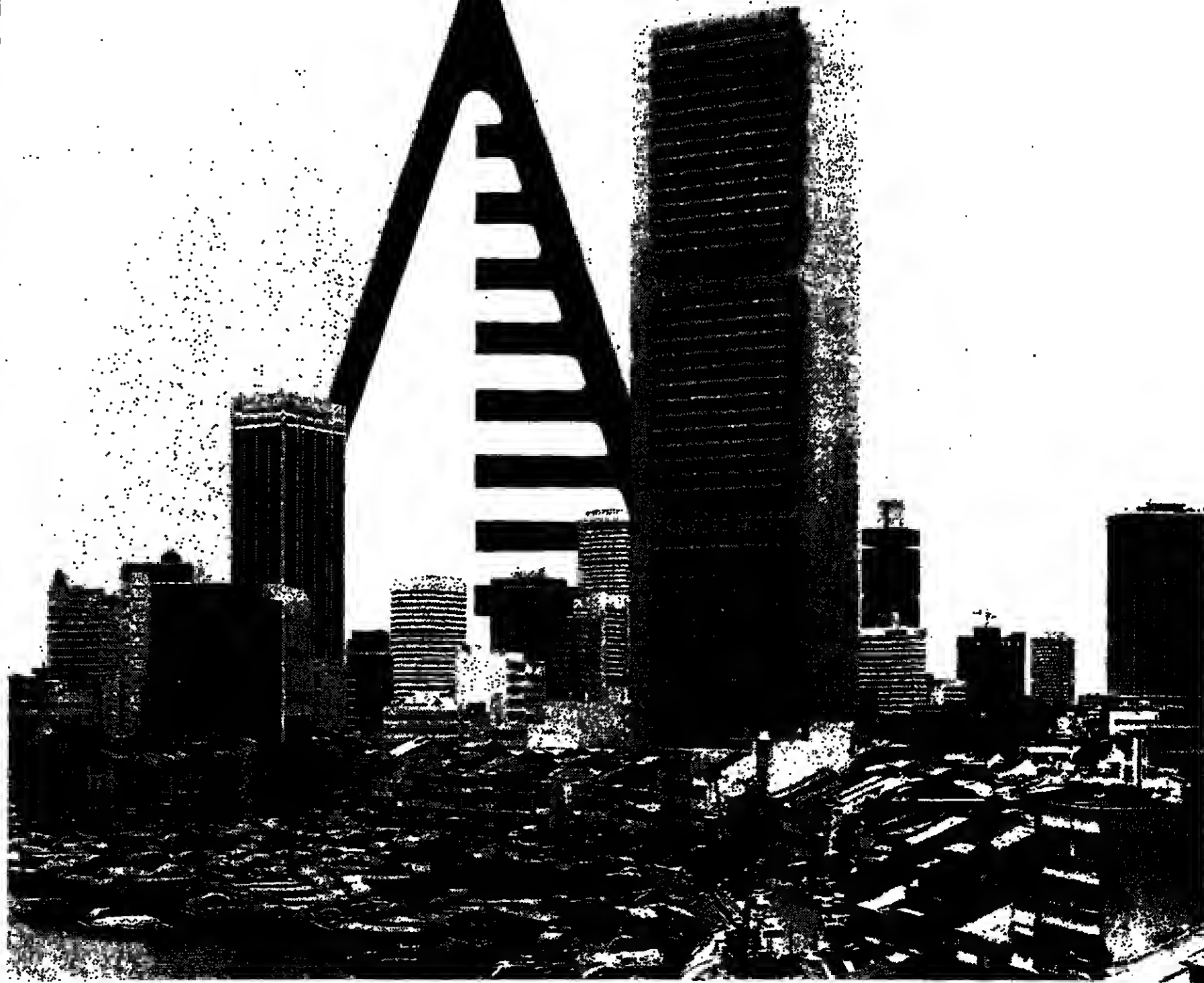
NEW YORK (AP)-										Closing Prices, December 18, 1978										Petroleum										1000 Pembina										5000 Pethino										2700 Pine Point										16000 Place C										600 Rethab A										230 Rd Steaks										150 Reichheld										1265 Revenue Prp										300 Remon										1180 Rothman										1800 Scouting										1500 Shell Co										4200 Sherwin A										5228 Silberts										500 Slater Sh										235 Slocum										1823 St Broadst										18024 Snelco A										1000 Stock										800 Teack Cor										8200 Teack Cor B										5000 Teack										2713 Thon N A										3500 Tor Dm Bk										100 Tordex										4000 Traders A										7205 Trm M W										7768 Trm W										7070 UGon A										900 UGon DII										6200 U Sicon										225 Un Carbid										900 Van Der										1700 Ventril										200 Vestron										7320 Voyager P										200 Walcott										3700 West Mine										3000 Weston										150 Woodard										1600 YK Bear										9000 Yukon C																																																																																																																																																																																																																																																																																																																																																													
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## Montreal Stocks

Closing Prices December 18, 1978

12 Month	Stock	High	Low	Div. in \$	Yld. %	P/E	100s	Close	Prev	12 Month	Stock	High	Low	Div. in \$	Yld. %	P/E	100s	Close	Prev								
High	Low	Div. in \$	Yld. %	P/E	100s	Close	Prev	12 Month	Stock	High	Low	Div. in \$	Yld. %	P/E	100s	Close	Prev	12 Month	Stock	High	Low	Div. in \$	Yld. %	P/E	100s	Close	Prev
12/18	10/18	10/18	10/18	10/18	10/18	10/18	10/18	10/18	10/18	12/18	10/18	10/18	10/18	10/18	10/18	10/18	10/18	10/18	10/18	12/18	10/18	10/18	10/18	10/18	10/18	10/18	10/18
12/18	10/18	10/18	10/18	10/18	10/18	10/18	10/18	10/18	10/18	12/18	10/18	10/18	10/18	10/18	10/18	10/18	10/18	10/18	10/18	12/18	10/18	10/18	10/18	10/18	10/18	10/18	10/18

In the world of foreign exchange, you need the wisdom of the Pyramid.



We take pleasure in announcing that

LAZARD BROTHERS &amp; CO., LIMITED

LONDON

has become a Limited Partner of

LAZARD FRÈRES &amp; CO.

NEW YORK

December 19th, 1978

In olden times, the pyramid stood for a kind of knowledge that few possessed. In today's world of foreign exchange, the Bankers Trust Pyramid stands for very much the same thing.

For half a century, the knowledge and experience of our traders has been one of the cornerstones of our reputation in the field.

This experience is extremely valuable in dealing with the complexities of day-to-day trading, and becomes crucial in times of political volatility or in other circumstances which affect the markets.

While our traders operate out of offices in the seven principal foreign exchange

centers of the world (among others), our capacities are global. We are effectively making markets around the world 24 hours a day.

The quality of our execution is another hallmark of our reputation. Because we are constantly buying and selling, as well as handling large trades, we can often maintain—even during periods of currency and monetary crises—an access to markets that not every bank can claim.

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nature and scope of their risks.

But our expertise isn't limited to foreign exchange. Wherever you see the Bankers Trust Pyramid, you're dealing with a full service bank in the fullest sense of the word, with the capacity to raise, lend and manage money worldwide.

Whatever your needs, a visit to the Pyramid can be a rewarding experience.

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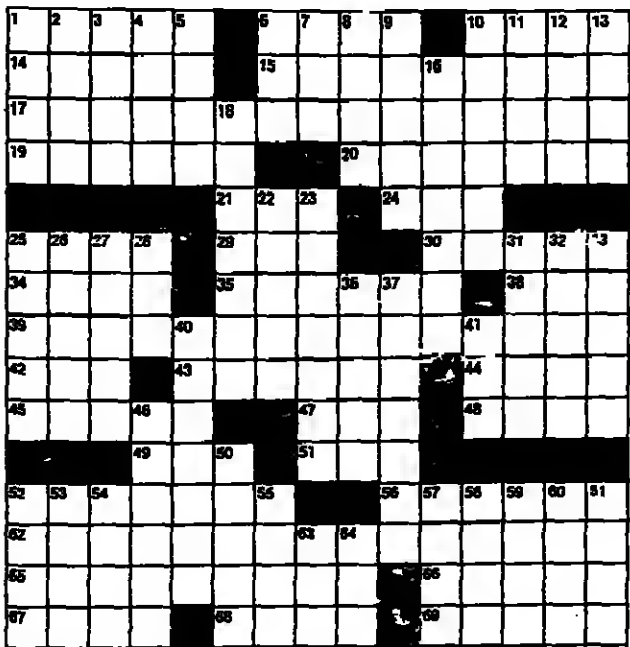






## CROSSWORD

By Eugene T. Maleska



## ACROSS

- 1 Regions  
6 Late  
10 Good earth  
14 Psychologist  
15 Exciting  
17 Shirley  
19 Upper House  
20 Poised  
21 Encore  
24 Choler  
25 Fried of  
29 Pompey  
30 Japanese salad  
34 Familiar Latin  
35 "The bird  
36 Black-footed  
38 Actress  
39 Joanne  
42 Dawn goddess  
43 Valuable  
44 August  
45 Relative of 35

## DOWN

- 1 "The  
2 Sabotage and  
3 English  
4 Drama  
5 Problem  
6 Tangle  
7 Old English  
8 Say with  
9 New Delhi  
10 Plaster  
11 Yockshale river  
12 Dies  
13 Lascivious  
14 Dwarfish native  
15 of the  
16 Philippines  
17 Saus  
18 Images  
19 Voodoo  
20 Summons to  
21 court  
22 in the  
23 Sellers  
24 Human trunk  
25 Flew  
26 Over  
27 The Cuckoo's  
28 Nest  
29 Varnish resin  
30 Tivoli  
31 Wee  
32 Knot again  
33 Like conchobites  
34 of the second  
35 century  
36 Dines at a  
37 restaurant  
38 Macaroni  
39 for  
40 Danny  
41 Fisherman  
42 Robbins  
43 Watered the  
44 lawn  
45 Renown  
46 Jacket or collar  
47 and  
48 The  
49 Bandersnatch!  
50 Carroll  
51 Defense pact  
52 Attired  
53 Darners target  
54 Temple's team  
55 Every fix  
56 Drudge, in  
57 medieval days  
58 Dir. from Paris  
59 to Calais  
60 Newscaster  
61 Rather

## WEATHER

	C	F		C	F
ALBANY	13	55	ALBANY	13	55
ALBUQUERQUE	13	55	ALBUQUERQUE	13	55
ALBUQUERQUE	13	55	ALBUQUERQUE	13	55
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ALBUQUERQUE	13	55	ALBUQUERQUE	13	55
ALBUQUERQUE	13	55	ALBUQUERQUE	13	55

(Yesterday's readings U.S. and Canada at 1700 GMT; Los Angeles at 2000 GMT; all others at 1200 GMT.)

## INTERNATIONAL FUNDS

## ADVERTISEMENTS

December 16, 1978

The net asset value quotations shown below are supplied by the Funds listed with the

acceptance of some Swiss funds whose quotes are based on Swiss prices. The following margin-

al symbols indicate frequency of quotations supplied for the day: (d) daily; (w) weekly; (m) monthly; (q) quarterly; (a) annually.

BANK JULIUS BAER &amp; CO. LTD.

(d) Boerbond SF 72.25 (w) Alexander Fund SF 34.99

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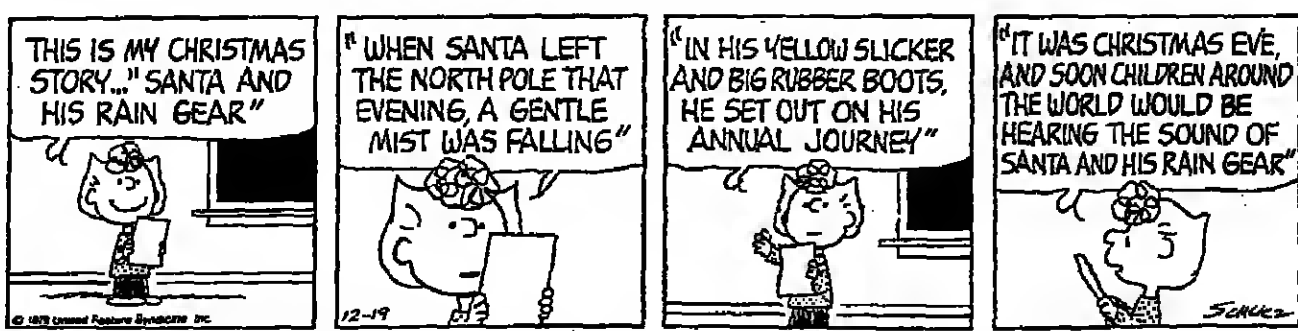
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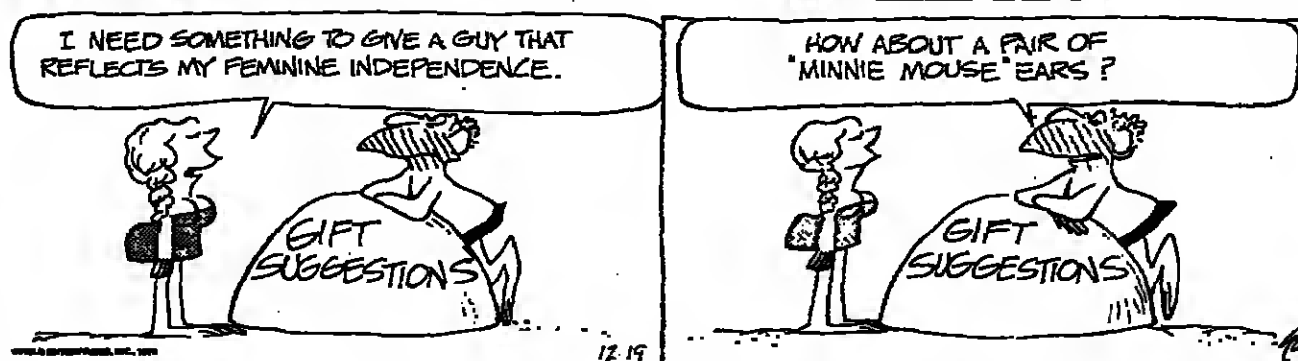
(d) Boerbond SF 72.25 (w) Boerbond SF 72.25

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## PEANUTS



## B. C.



## BLONDIE



## BEETLEBAILEY



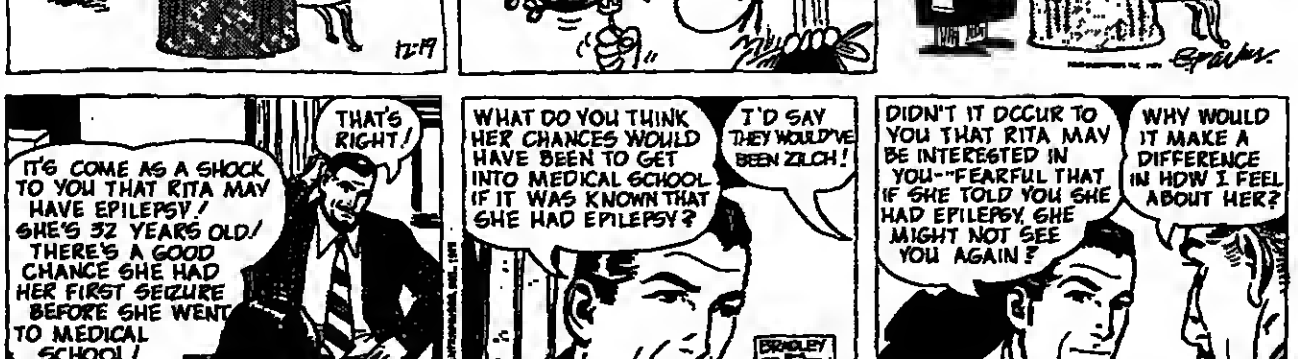
## ANDY CAPP



## WIZARD OF ID



## REX MORGAN



## RIP KIRBY



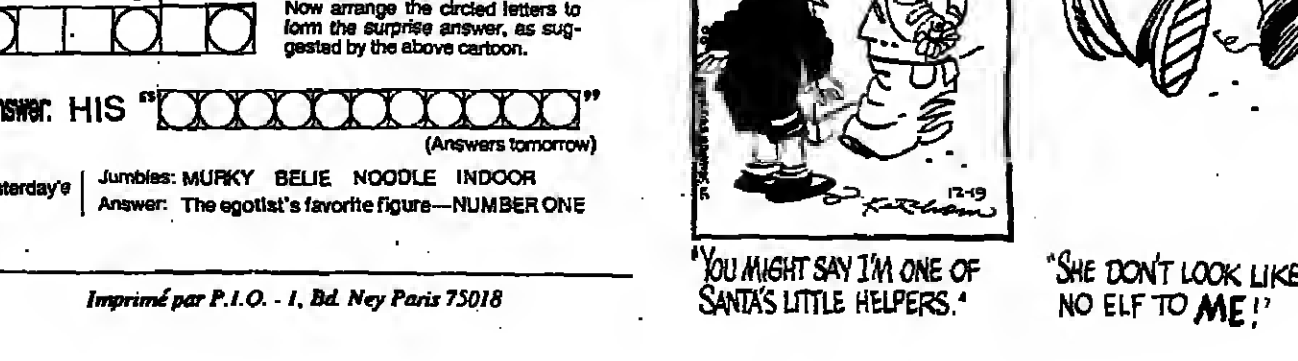
## JUMBLE



## DENNIS THE MENACE



## BRIDGE



## BOOKS

A CHILDHOOD  
The Biography of a Place

By Harry Crews. Harper &amp; Row. 171 pp. \$8.95.

Reviewed by John Leonard

JUST when you think you have finally gotten rid of the Old South, the mythic, violent, erotic, paranoid, biblical and death-obsessed South that used to be as important to the American imagination as the haunted houses of Hawthorne, the ghosts of dead whaling captains and the blood of Indians all over the frontier, just when you think this Old South is sealed over by the New, beneath the Hyatt hotels booked full of peanut barons, just when it seems no longer necessary to grapple with the demons of a Faulkner or the peacocks of a Flannery O'Connor—along comes Harry Crews.

Crews is the author of eight novels. Of him, in *The New York Times Book Review*, Jean Stafford said in part: "Macabre and slapstick, howlingly funny and as sad as a zoo, ribald, admonitory, wry." Yes. "Sad as a zoo" he is, even in a novel about a man who eats a car down to the last sprocket. There is a sense of loss in every one of his books, which a disorderly imagination tries to explain, as if there were a demon in every peacock that is caged.

"A Childhood" is not a novel, but a memoir, and a splendid one. Crews proposes to tell us what it was like growing up on a farm in Bacon County, in south Georgia, in the 1930s. He says right at the start that "what has been most significant in my life and all taken place by the time I was 6 years old, and then proceeds to prove it. Much later in the book he adds, "but then for most of what I believe I can't prove." He is wrong. The truth is in the terrible beauty of his stories.

Eats Lye  
Consider those first six years. His father, of whom he will know nothing until he is 21, dies when he is not yet 2. The man he thinks is his father, and who is actually his uncle, goes crazy with a shotgun. Harry himself ends up, for a while, in a cast-iron tub of boiling water, which was intended to remove the hair from hogs after they've been slaughtered, removes instead the skin from Harry's arms and legs. His childhood is a sicked in front of the family fireplace, where he listens to the stories of his elders.

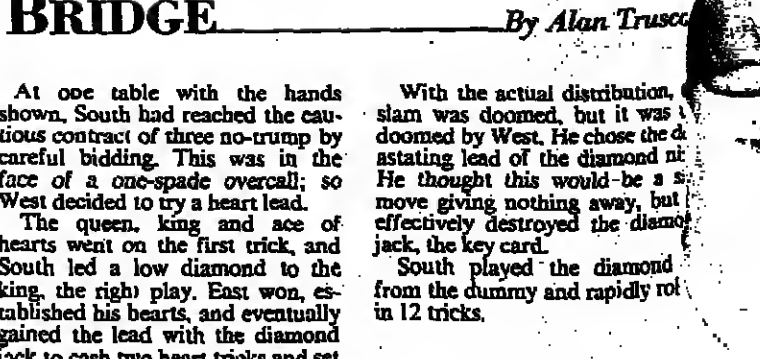
"It was always the women who scared me. The stories that women told and men told were full of violence, sickness, and death. But it was the women whose stories were unrelieved by humor and filled by apocalyptic vision. No matter how awful the stories were that the men told, they were always funny. The men's stories were full of character, they always knew the people the stories were about. But the women would repeat stories about folks they did not know and had never seen, and consequently, without humor, counting for anything, the stories were as stark and cold as legend or myth."

He listens in a shack without indoor plumbing, without electricity, without a telephone and without any other book except the Sears, Roebuck catalog. These stories of the elders, and the pictures of the perfect people in the Sears, Roebuck catalog, set his mind on fire. He makes up his own stories about the secret sicknesses of the perfect people in the catalog just as he will have to imagine his father later on, which is now. All this takes place in a Bacon County enslaved to its poor tobacco.

By and large, parents are not talking about sexuality at all. In 1976 and 1977, when more than 1,400 parents in Cuyahoga County Ohio (including Cleveland), were interviewed by the Project on Human Sexual Development, consortium of behavioral scientists supported by several private foundations.

Many parents said they hesitated to talk to their children about sex because they felt uneasy about transmitting their own attitudes and values to their children.

## SOLUTION TO PREVIOUS PUZZLE



## NORTH (D)

WEST EAST

WEST EAST

WEST EAST

WEST EAST

WEST EAST

WEST EAST

WEST EAST

WEST EAST

WEST EAST

WEST EAST

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